under Federal or State law; (4) any right to any quantity of water used for governmental purposes or programs of the United States at any time from January 1, 1940, to the effective date of this Act; or (5) any right of the United States to use water hereafter lawfully initiated in the exercise of the express or necessarily implied authority of any present or future act of Congress or State law when such right is initiated prior to the acquisition by others of any right to use water pursuant to State law.

NOTICE OF MOTION TO SUSPEND RULE

Mr. HAYDEN. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8385) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1960, and for other purposes, the following amendment:

At the appropriate place in the bill insert the following:

Commission on Civil Rights, salaries and expenses. For an additional amount for "salaries and expenses," $500,000: *Provided*, That section 104(b) of the Civil Rights Act of 1957 is amended by striking out the words "two years" and inserting in lieu thereof "four years."

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

ADDITIONAL BILLS INTRODUCED

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

By Mr. CASE of New Jersey (for himself, Mr. BUSH, Mr. DODD, Mr. JAVITS, Mr. KEATING, and Mr. NEUBERGER):

S. 2659. A bill to amend section 13a(1) of the Interstate Commerce Act with respect to the discontinuance or change of operations of certain trains and ferries; to the Committee on Interstate and Foreign Commerce.

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

By Mr. BUTLER:

S. 2660. A bill for the relief of Peter Zanelotti; to the Committee on the Judiciary.

By Mr. BARTLETT (for himself, Mr. GRUENING, Mr. LONG of Hawaii, and Mr. FONG):

S. 2661. A bill to amend title 23, United States Code, to provide for participation of Federal-aid highway funds in the construction of approach roads to ferry facilities on the Federal-aid systems; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY:

S. 2662. A bill for the relief of Mrs. Garold Van Cannon; to the Committee on the Judiciary.

By Mr. KEATING (for himself, Mr. BEALL, Mr. COTTON, Mr. DODD, Mr. SCOTT, Mr. BUSH, and Mr. SALTONSTALL):

S. 2663. A bill to provide for equalizing the conditions of competition between domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Finance.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 50 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Wednesday, September 9, 1959, at 9:30 o'clock a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 8, 1959

The House met at 11 o'clock a.m.

Father James Lyons, St. Gertrude's Church, Chicago, offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

May the ideas and the ideals of St. Francis of Assisi be true of each of our Representatives today. St. Francis wrote:

"Lord, make me an instrument of Your peace. Where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

"O Divine Master, grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love; for it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life."

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 435. Concurrent resolution declaring that the Congress does hereby express its deep realization and appreciation of the basic role that labor plays in our economy and of the contributions that American working men and women have made to America's well-being.

NEBRASKA MID-STATE UNIT IN THE MISSOURI RIVER BASIN PROJECT

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be discharged from further consideration of the bill (H.R. 8985) to provide for the inclusion of the Nebraska Mid-State unit in the Missouri River Basin project, and that the bill be referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AUTHORIZING SALE AT MARKET PRICES OF CERTAIN AGRICULTURAL COMMODITIES

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2504) to authorize the sale at market prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the legislation and the clarifying amendments which were agreed to in committee?

Mr. McGOVERN. Mr. Speaker, this legislation authorizes the Secretary of Agriculture when he determines that a drought or other emergency is sufficient to authorize the sale of Commodity Credit Corporation feed at the current support price. The original bill passed by the other body would authorize such sales at the "market price," but, as I pointed out before the House Committee on Agriculture, this provision would not accomplish the real purpose of the bill, which is to assist the farmers in an area where there is a feed shortage stemming from drought or other emergencies. Presumably, in a feed shortage area, market prices will rise—perhaps above the level now authorized for the sale of CCC feed. In that case the bill as passed by the Senate would be of no value at all.

My amendment, approved unanimously by the House Committee on Agriculture, can save drought-stricken farmers many thousands of dollars by permitting Government feed to be sold at the existing support level price.

This is sound legislation because it not only gives the Secretary additional authority to help farmers in drought areas, but it can reduce costly Government storages. After all, one of the purposes of a grain storage program is to have a reserve supply of feed in case of drought. I find it hard to understand why the Secretary of Agriculture is so reluctant to use the drought authority he now has.

The Department of Agriculture objected to a phase of the bill as it passed

the other body which permitted soil bank acres to be harvested in drought areas. We struck that title from the bill. Let me say that the soil bank emergency bill which the House passed yesterday is superior to the title which we removed from the pending bill. There are two or three other minor amendments that do not change the substance of the bill as reported by the committee.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from Iowa.

Mr. HOEVEN. This legislation is permissive, and the Secretary is only authorized to act whenever the Governor of the State certifies that a particular need arises in his State?

Mr. McGOVERN. That is correct. I hope the House will not object to this bill needed by our farmers. We have greatly improved the measure as originally passed by the Senate. I trust that our action will be accepted by the other body and that Mr. Benson will use the additional authority which this bill gives him.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, the Secretary of Agriculture is authorized to sell at market prices, any wheat, corn, oats, barley, rye, or grain sorghums (hereafter referred to as feed grains), owned by the Commodity Credit Corporation, to provide feed for livestock in any area determined by him to be an emergency area under section 2.

SEC. 2. The Secretary may designate any area as an emergency area for the purposes of this Act if he determines that, as a result of flood, drought, hurricane, tornado, or other catastrophe there is a shortage of feed for livestock in such area.

SEC. 3. The Secretary shall not sell feed grains under this Act to any person unless he is satisfied that such person does not have, and is unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by him, and unless such person agrees to use the feed grains only for such livestock.

SEC. 4. Any person who fails to carry out an agreement entered into under section 3 with respect to any feed grains purchased under this Act, or who disposes of any such feed grains other than by feeding to livestock owned by him, shall be subject to a penalty equal to but not in excess of the market value of the feed grains involved, to be recovered by the Secretary in a civil suit brought for that purpose.

SEC. 5. Section 107(a)(3) of the Soil Bank Act is amended by inserting before the period at the end thereof a comma and the following: "and except that the Secretary may authorize the producer to harvest hay on such acreage if, after certification by the Governor of the State in which such acreage is situated of the need therefor, the Secretary determines that it is necessary to permit such harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster".

With the following committee amendments:

Page 1, line 5, strike out "market" and insert "current support".

Page 2, line 1, after "may," insert "after certification by the Governor of the State in which such area is situated of the need therefor,".

Page 2, line 5, strike out "or other catastrophe" and insert "earthquake, or other catastrophe including disease or insect infestation".

Page 2, line 22, after the word "purpose," insert "and in addition shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $1,000 or imprisonment for not more than one year."

Page 3, strike out section 5.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

The title was amended so as to read: "An act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes."

A motion to reconsider was laid on the table.

ADDITIONAL BUILDING FOR THE LIBRARY OF CONGRESS

The SPEAKER. The unfinished business is, Will the House suspend the rules and pass House Joint Resolution 352 authorizing a preliminary study and review in connection with proposed additional building for the Library of Congress?

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 324, nays 47, not voting 65, as follows:

[Roll No. 169]

YEAS—324

Abbitt	Bow	Cramer
Abernethy	Bowles	Curtin
Adair	Boykin	Curtis, Mass.
Albert	Boyle	Curtis, Mo.
Alexander	Brademas	Daddario
Alford	Bray	Davis, Ga.
Anderson, Mont.	Breeding	Davis, Tenn.
Andrews	Brock	Dawson
Arends	Brooks, La.	Dent
Ashley	Brooks, Tex.	Denton
Ashmore	Broomfield	Derounian
Aspinall	Brown, Ga.	Diggs
Auchincloss	Brown, Mo.	Dingell
Avery	Brown, Ohio	Dixon
Bailey	Burdick	Dollinger
Baker	Burke, Ky.	Donohue
Baldwin	Burke, Mass.	Dooley
Baring	Burleson	Dorn, N.Y.
Barr	Cahill	Downing
Barrett	Cannon	Doyle
Barry	Carnahan	Dwyer
Bass, N.H.	Casey	Edmondson
Bass, Tenn.	Celler	Elliott
Bates	Chamberlain	Everett
Beckworth	Chelf	Fallon
Belcher	Chenoweth	Farbstein
Bennett, Fla.	Chiperfield	Fascell
Bennett, Mich.	Church	Feighan
Bentley	Clark	Fenton
Betts	Coad	Fino
Blatnik	Coffin	Fisher
Boggs	Cohelan	Flood
Boland	Collier	Flynn
Bolling	Colmer	Flynt
Bonner	Conte	Fogarty
Bosch	Cook	Foley
	Corbett	Forand
Forrester	Lennon	Riley
Fountain	Levering	Rivers, Alaska
Frazier	Libonati	Rivers, S.C.
Frelinghuysen	Lindsay	Roberts
Friedel	Loser	Robison
Fulton	McCormack	Rodino
Garmatz	McCulloch	Rogers, Colo.
Gathings	McDowell	Rogers, Fla.
Gavin	McFall	Rogers, Mass.
George	McGinley	Rogers, Tex.
Glenn	McGovern	Rooney
Granahan	McIntire	Roosevelt
Grant	Macdonald	Rostenkowski
Green, Oreg.	Mack, Ill.	Roush
Green, Pa.	Mack, Wash.	Rutherford
Griffin	Madden	Santangelo
Griffiths	Magnuson	Saund
Gubser	Mahon	Schenck
Hagen	Mailliard	Schwengel
Halleck	May	Scott
Halpern	Meader	Selden
Hardy	Merrow	Shelley
Hargis	Metcalf	Shipley
Harmon	Meyer	Simpson, Ill.
Harris	Michel	Sisk
Hays	Miller, Clem	Slack
Healey	Miller, George P.	Smith, Iowa
Hébert	Mills	Smith, Kans.
Hechler	Mitchell	Smith, Miss.
Hemphill	Monagan	Smith, Va.
Henderson	Montoya	Spence
Herlong	Morgan	Springer
Hoffman, Ill.	Morris, N. Mex.	Steed
Hogan	Morris, Okla.	Stratton
Holland	Morrison	Stubblefield
Holt	Moss	Sullivan
Holtzman	Moulder	Teague, Tex.
Horan	Multer	Thomas
Hosmer	Murphy	Thompson, La.
Huddleston	Murray	Thompson, Tex.
Hull	Natcher	Thomson, Wyo.
Ikard	Nix	Thornberry
Inouye	Norblad	Toll
Irwin	Norrell	Trimble
Jackson	O'Brien, Ill.	Tuck
Jarman	O'Hara, Ill.	Udall
Jennings	O'Hara, Mich.	Ullman
Johnson, Calif.	Oliver	Vanik
Johnson, Colo.	Osmers	Van Zandt
Johnson, Md.	Ostertag	Vinson
Johnson, Wis.	Passman	Wainwright
Jonas	Pelly	Wallhauser
Jones, Ala.	Perkins	Walter
Karsten	Pfost	Wampler
Karth	Philbin	Watts
Kasem	Pilcher	Weis
Kastenmeier	Pirnie	Wharton
Kearns	Poff	Whitener
Kee	Porter	Whitten
Keith	Price	Widnall
Kelly	Prokop	Wier
Kilday	Pucinski	Williams
Kilgore	Quie	Willis
King, Calif.	Rabaut	Winstead
King, Utah	Rains	Withrow
Kirwan	Randall	Wolf
Kitchin	Ray	Wright
Kluczynski	Reece, Tenn.	Young
Knox	Rees, Kans.	Younger
Kowalski	Rhodes, Ariz.	Zablocki
Lane	Rhodes, Pa.	Zelenko
Lankford		

NAYS—47

Allen	Hoeven	Mumma
Andersen, Minn.	Hoffman, Mich.	Nelsen
	Jensen	O'Konski
Berry	Johansen	Preston
Budge	Lafore	Saylor
Bush	Laird	Scherer
Byrnes, Wis.	Landrum	Short
Cederberg	Langen	Siler
Cunningham	Latta	Simpson, Pa.
Dague	Lipscomb	Smith, Calif.
Devine	McMillan	Taber
Dorn, S.C.	Machrowicz	Teague, Calif.
Dowdy	Mason	Utt
Gross	Matthews	Weaver
Haley	Milliken	Wilson
Hiestand	Moore	

NOT VOTING—65

Addonizio	Canfield	Goodell
Alger	Carter	Gray
Anfuso	Cooley	Hall
Ayres	Daniels	Harrison
Barden	Delaney	Hess
Baumhart	Derwinski	Holifield
Becker	Dulski	Jones, Mo.
Blitch	Durham	Judd
Bolton	Evins	Keogh
Brewster	Ford	Kilburn
Broyhill	Gallagher	Miller, N.Y.
Buckley	Gary	Lesinski
Byrne, Pa.	Giaimo	McDonough

McSween	Pillion	Staggers
Marshall	Poage	Taylor
Martin	Powell	Teller
Minshall	Quigley	Thompson, N.J.
Moeller	Reuss	Tollefson
Moorhead	Riehlman	Van Pelt
O'Brien, N.Y.	St. George	Westland
O'Neill	Sheppard	Yates
Patman	Sikes	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Taylor against.
Mr. Keogh for, with Mr. Van Pelt against.
Mr. Yates for, with Mr. Kilburn against.

Until further notice:

Mr. Anfuso with Mr. Martin.
Mr. Addonizio with Mr. Baumhart.
Mr. Holifield with Mr. Becker.
Mr. Harrison with Mr. Broyhill.
Mr. Sheppard with Mr. Riehlman.
Mr. Sikes with Mr. Westland.
Mr. Moorhead with Mr. Miller of New York.
Mr. O'Neill with Mr. Alger.
Mr. Giaimo with Mrs. Bolton.
Mr. Gallagher with Mr. Judd.
Mr. Teller with Mr. Ayres.
Mr. Byrne of Pennsylvania, with Mr. Hess.
Mr. Dulski with Mr. Ford.
Mr. Hall with Mr. Tollefson.
Mr. Staggers with Mr. Minshall.
Mr. Thompson of New Jersey with Mr. Derwinski.
Mr. Delaney with Mr. Saylor.
Mr. Daniels with Mr. Pillion.
Mr. Evins with Mr. Goodell.
Mr. Moeller with Mr. Canfield.
Mr. Brewster with Mr. McDonough.
Mr. O'Brien of New York with Mrs. St. George.

The result of the vote was announced as above recorded.

The doors were opened.

SUSPENSION OF THE RULES

The SPEAKER. The unfinished business is, Will the House suspend the rules and agree to House Resolution 379?

The Clerk read the resolution, as follows:

Resolved, That it shall be in order for the Speaker at any time on Thursday, September 10, 1959, and at any time during the remainder of the week, to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

INCREASED PER DIEM ALLOWANCE FOR TRAVEL

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 5196) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes?

The Clerk read the title of the bill.

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 246, noes 68.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

OVERSEAS DIFFERENTIALS AND ALLOWANCES ACT

The SPEAKER. The further unfinished business is, Will the House suspend the rules and pass the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, and for other purposes, as amended.

The question was taken; and on a division (demanded by Mr. JOHANSEN) there were—ayes 249, noes 71.

Mr. JOHANSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day.

The Clerk will call the first individual bill on the calendar.

PAGE A. WILSON

The Clerk called the bill (S. 36) for the relief of Page A. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Page A. Wilson, Major, United States Air Force, is hereby relieved of all liability for repayment to the United States of the sum of $1,718.80, representing the balance as of May 1, 1959, of overpayments of longevity pay paid to him as the result of his claiming membership in the Enlisted Reserve Corps of the Army for the period November 17, 1930, to September 8, 1933, which period was disallowed by the Air Force after the said Page A. Wilson had been paid on the basis of such period for over fourteen years, the said Page A. Wilson having believed such period had been verified a short time after it had been originally claimed by him.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to the said Page A. Wilson, any sum or amounts received or withheld from him after May 1, 1959, on account of the overpayments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARSHALOUIS SIMEONIAN

The Clerk called the bill (S. 1081) for the relief of Arshalouis Simeonian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Arshalouis Simeonian may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided,* That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Arshalouis Simeonian in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further,* That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of such Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATILDA KOLICH

The Clerk called the bill (S. 1613) for the relief of Matilda Kolich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Matilda Kolich, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Vid A. Kolich, citizens of the United States: *Provided,* That the natural parents of Matilda Kolich shall not, come by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. BARBIERO

The Clerk called the bill (H.R. 7036) for the relief of William J. Barbiero.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Barbiero, of Brooklyn, New York, the sum of $2,000. The payment of such sum shall be in full settlement of all the claims of William J. Barbiero against the United States for loss of earnings and damage to his property due to the deterioration in storage, as a result of delay on the part of agents of the United States in processing his petition for the return of his truck, the sole asset of his trucking business, which had been confiscated through no fault of his by agents of the United States Treasury on October 21, 1958: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$2,000" and insert "$300."

Page 1, line 8, strike "earnings."

Page 1, lines 9, 10, and 11, strike ", as a result of delay on the part of agents of the United States in processing his petition for the return."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. BIEDERMAN

The Clerk called the bill (H.R. 8761) for the relief of the estate of Charles H. Biederman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations, the lapse of time, the limitations contained in sections 322 and 3774 of the Internal Revenue Code of 1939, or the defense of res adjudicata and particularly such a defense of res adjudicata with respect to the decision of the Tax Court of the United States entered August 26, 1948, pursuant to a stipulation entered into on August 16, 1948, by a guardian of Charles H. Biederman, jurisdiction is hereby conferred on the Court of Claims to hear, determine, and render judgment on the claim of the estate of Charles H. Biederman, deceased, for the overpayment of Federal income taxes of the said Charles H. Biederman for the taxable years 1936 and 1944, inclusive, together with the amounts of penalties and interest paid thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OURANIA BEN BLIKAS

The Clerk called the bill (S. 2101) for the relief of Ourania Ben Blikas.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ourania Ben Blikas shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Ben John Blikas, citizens of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. THOMAS J. McARDLE

The Clerk called the bill (S. 1149) for the relief of Capt. Thomas J. McArdle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Captain Thomas J. McArdle, United States Air Force, a sum equal to the amount which he would have received under the Armed Forces Leave Act of 1946 if he had made timely application under such Act for compensation for unused accrued leave, the said Captain McArdle having failed to make application for such compensation because of the confidential nature of his assignment in the United States Air Force during the period allowed for filing under such Act.

The bill was orderd to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONALD G. COPLAN

The Clerk called the bill (S. 1891) for the relief of Donald G. Coplan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Donald G. Coplan, Minneapolis, Minnesota, the sum of $500. Such sum represents reimbursement in the amount of the judgment and costs for which the said Donald G. Coplan was held liable and has paid as a result of a civil action in the court of the State of Minnesota. This civil action arose out of an accident which occurred on Octobr 4, 1955, between an automobile owned by the said Richard Vossen and a United States mail truck driven by the said Donald G. Coplan, a motor vehicle operator in the Minneapolis post office motor vehicle service: *Provided,* That no part of the amount appropriated in this Act shall be paid to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. PHILIP M. WHITNEY—DECORATION TENDERED BY FRANCE

The Clerk called the bill (S. 252) to authorize Col. Philip M. Whitney, U.S. Army, retired, to accept and wear the decoration tendered him by the Government of the Republic of France.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Colonel Philip M. Whitney, United States Army, retired, is authorized to accept and wear the decoration known as the Croix de Guerre with palm, and to accept any supporting documents tendered him by the Government of the Republic of France. The Secretary of State shall deliver such decoration and any such supporting documents to the said Colonel Philip M. Whitney.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF JOHN STEVE

The Clerk called the bill (H.R. 1540) for the relief of Edward F. Stefan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,506.21 to Edward F. Stefan, the brother of John Steve, CBM (PA), United States Naval Reserve, deceased, in full settlement of all claims against the United States. Such sum represents arrears of pay and allowances and the six months' death gratuity pay, which he would have been entitled to had he filed claim prior to the limitations of time after the death of his brother, the said John Steve, whose death was established on October 24, 1944: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5: Strike "$11,506.21" and insert "$10,181.41".

Page 1, line 6: Strike "Edward F. Stefan, the brother" and insert "the Estate".

Page 1, lines 9, 10, and 11: Strike "and the six months' death gratuity pay, which he would have been entitled to had he filed claim prior to the limitations of time after the death of his brother."

Page 2, line 3: Strike "in excess of 10 per centum thereof".

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of the estate of John Steve."

A motion to reconsider was laid on the table.

MARGARET P. COPIN

The Clerk called the bill (H.R. 4546) for the relief of Margaret P. Copin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Civil Service Retirement Act, Mrs. Margaret P. Copin, Annandale, Virginia, shall be held and considered to have performed twenty years of service which is creditable for the purposes of such Act.

Any annuity payable by reason of this Act shall commence as of October 1, 1958.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIONEER AIR LINES, INC.

The Clerk called the bill (H.R. 4965) for the relief of Pioneer Air Lines, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment, with such interest as the Court may determine, upon the claim of Pioneer Air Lines, Incorporated, against the United States for such sums as the court may find Pioneer Air Lines, Incorporated, to be legally or equitably entitled as a result of acts or failures to act by the Civil Aeronautics Board, including the decision rendered by the Civil Aeronautics Board in 1953 (docket numbered 5499) denying a mail pay subsidy increase which resulted in or was the occasion for damage to Pioneer Air Lines, Incorporated. The court, in reviewing the decision and the conduct of the Civil Aeronautics Board and its members, may enter judgment in favor of Pioneer Air Lines, Incorporated, to compensate it for such damage is it may find was caused or occasioned by all the circumstances surrounding the issuance of the Civil Aeronautics Board's decision and by the decision itself.

SEC. 2. Suit upon such claim may be instituted at any time within six months after the date of the enactment of this Act, notwithstanding the lapse of time, laches, or any other statute of limitations. Proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 1491 of title 28 of the United States Code. Nothing in this Act shall be construed as an implication of liability on the part of the United States.

With the following committee amendment:

Strike all after the enacting clause and insert "That jurisdiction is hereby conferred upon the courts of appeals of the United States and the United States Court of Appeals for the District of Columbia to review the decision of the Civil Aeronautics Board in the case of Pioneer Air Lines, Incorporated (Docket Number 5499), including the orders of the Board dated March 13, 1953, and May 4, 1953.

"SEC. 2. A petition for review may be filed by Pioneer Air Lines, Incorporated, at any time within sixty days after the date of the enactment of this Act as of right and notwithstanding the expiration of a period of more than sixty days from the dates of said orders.

"SEC. 3. Except as provided in section 2 of this Act, any petition for review which may be filed by Pioneer Air Lines, Incorporated, shall be governed by the provisions of section 1006 of the Civil Aeronautics Act (49 U.S.C. 646)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAM J. BUZZANCA

The Clerk called the bill (H.R. 6712) for the relief of Sam J. Buzzanca.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam J. Buzzanca, Birmingham, Alabama, the sum of $8,100. The payment of such sum shall be in full settlement of all claims of the said Sam J. Buzzanca against the United States for reimbursement to him of amounts paid by him to the United States for real property formerly belonging to W. H. Brown seized by the Internal Revenue Service and sold for unpaid taxes: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, change the period after "$8,100" to a comma and add the following: "upon conveyance to the United States of America by said Sam J. Buzzanca of all his right, title and interest in and to real property situated in McCalla, Alabama, all as described and set forth in a quitclaim deed dated July 7, 1955, to said Sam J. Buzzanca from George D. Patterson, District Director of Internal Revenue, filed in the office of the Judge of Probate, Tuscaloosa County, State of Alabama, August 18, 1955, and recorded in Deed Record book 370, page 71, and his signature and acknowledgment of all papers, instruments, documents and releases that may be required from him by the United States of America in acquiring said right, title and interest."

Page 1, line 6, after the word "The", insert "conveyance of said right, title and interest and the."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEAL E. ANDERSEN

The Clerk called the bill (H.R. 6885) for the relief of Neal Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Neal Anderson, Stockton, California, the sum of $343.37. The payment of such sum shall be in full settlement of all claims of the said Neal Anderson against the United States for reimbursement of the amount required to be paid by him for the transportation of his household goods from the United States Air Force storage branch, Savannah, Georgia, to the Hamilton Air Force Base, California, under Government bill of lading numbered WX-8584605, dated April 22, 1953, following the receipt of orders dated March 9, 1953, directing his release from active duty as a captain in the United States Air Force Reserve: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike "Neal Anderson" and insert "Neal E. Andersen."

Page 1, line 7, strike "Neal Anderson" and insert "Neal E. Andersen."

Page 2, line 6, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of Neal E. Andersen."

A motion to reconsider was laid on the table.

JOHN NAPOLI

The Clerk called the bill (H.R. 7260) for the relief of John Napoli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Napoli, San Francisco, California, the sum of $46,141. Payment of such sum shall be in full settlement of all claims of the said John Napoli against the United States for personal injuries, loss of and damage to his personal property, and other loss and damage resulting from his activity in saving, courageously and with sacrifice of his own health and property, the lives of naval personnel in connection with the sinking of the United States ship Benevolence on August 25, 1950. The said John Napoli shall not be obligated to repay to the United States any sums heretofore paid to him on account of such injuries, loss, and damage: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$46,141" and insert "$25,000."

Page 2, lines 6 and 7, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. DULIN

The Clerk called the bill (H.R. 7932) for the relief of William E. Dulin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William E. Dulin, Adelphi, Maryland, is hereby relieved of all liability to refund to the United States the sum of $565.90. Such sum is the aggregate amount of salary erroneously paid to the said William E. Dulin for the period beginning July 17, 1955, and ending September 20, 1958, but without knowledge of such error on his part, in connection with the reallocation of his civilian position at the United States Naval Gun Factory, Washington, District of Columbia, from grade 5 to grade 4 of the General Schedule of the Classification Act of 1949, as amended. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for the amount for which liability is relieved by this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William E. Dulin, a sum equal to the aggregate of the amounts (if any) which have been repaid by him to the United States or which have been withheld by the United States from amounts otherwise due him from the United States, by reason of the liability of which he is relieved by the first section of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8: strike out "1955" and insert "1958."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

FATHER KENNETH M. RIZER

The Clerk called the bill (H.R. 7935) for the relief of Father Kenneth M. Rizer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $963 to Father Kenneth M. Rizer, of Norfolk, Virginia. Payment of such sum shall be in full settlement of all claims of Father Kenneth M. Rizer against the United States arising out of the collision which occurred at about 12:30 a.m., October 23, 1956, on Airport Parkway in Allegheny County, Pennsylvania, between a truck owned by the United States and being driven by a member of the United States Air Force and an automobile being driven by Father Kenneth M. Rizer. This claim is not cognizable under tort claims procedure as provided in title 28, United States Code: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS ELSIE ROBEY

The Clerk called the bill (H.R. 8110) for the relief of Miss Elsie Robey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miss Elsie Robey, of Breckenridge, Michigan, the sum of $25,000. The payment of such sum shall be in full settlement of all the claims of Miss Elsie Robey against the United States arising out of an accident in Saginaw, Michigan, on May 31, 1943, in which she was struck by a United States Post Office truck and received severe and permanent injuries: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$25,000" and insert "$10,000."

Page 2, lines 1 and 2, strike "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MACO WAREHOUSE CO.

The Clerk called the bill (H.R. 8801) for the relief of the Maco Warehouse Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Maco Warehouse Company, Stockton, California, the sum of $1,745.86. The payment of such sum shall be in full settlement of all claims of such company against the United States for the cost of certain alterations and repairs made by such company to certain premises leased from the United States under contract numbered DA(s)04–203–eng–211, dated June 23, 1950, for which costs such company has not been reimbursed. Such sum represents the difference between the total amount determined by the United States Court of Claims to be equitably due such company from the United States and the amount of a certain judgment ordered by such court to be entered in favor of the United States against such company. Such determination and judgment, and other findings of fact with respect to this matter, are contained in the congressional reference case styled Maco Warehouse Company California against The United States (No. Cong. 2–56), decided January 14, 1959. Such judgment in favor of the United States shall be held and considered to be satisfied upon acceptance by such company of the sum to be paid under this section.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARDY MANUFACTURING CORP.

The Clerk called the resolution (H. Res. 266) referring H.R. 7081 to the U.S. Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 7081) entitled, "A bill for the relief of the Hardy Manufacturing Corporation," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House of Representatives at the earliest practicable date, giving findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable against the United States, and the amount, if any, legally or equitably owing by the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

APPOINTMENT OF ELWOOD R. QUESADA

The Clerk called the bill (S. 2500) to authorize the appointment of Elwood R. Quesada to the retired list of the Regular Air Force, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other law, the President alone is authorized to appoint Elwood R. Quesada, formerly a retired lieutenant general, United States Air Force, to the grade of lieutenant general on the retired list of the Regular Air Force, with the pay, allowances, emoluments, perquisites, rights, privileges, and benefits of an officer of his grade and length of service who was on that retired list on May 31, 1958. No pay, allowances, or other benefits shall become due as a result of the enactment of this act for any period before the effective date of his appointment under this act.

SEC. 2. The effective date of the appointment authorized by this act is the day after Elwood R. Quesada ceases to hold office as Administrator of the Federal Aviation Agency, or the day before the death of Elwood R. Quesada, whichever is earlier.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC WORKS APPROPRIATION BILL, 1960

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 30 minutes, half of that time to be controlled by the gentleman from Iowa [Mr. JENSEN] and half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. JENSEN. Mr. Speaker, I hope the gentleman from Missouri, the chairman of the committee, will revise his request and make it 1 hour, that is, 30 minutes on each side. Will the gentleman do that?

Mr. CANNON. Mr. Speaker, at the suggestion of the gentleman from Iowa, I ask unanimous consent that general debate be limited to 1 hour, half of the time to be controlled by the gentleman from Iowa and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 9105, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, it is not necessary to debate this bill again. It was thoroughly analyzed and discussed at the time it was passed by the House. It was again dissected and debated when it was reported back to the House from the Committee of Conference. And it was exhaustively debated and scrutinized when it was vetoed.

It is the identical bill vetoed by the President with the exception that there is an across-the-board reduction of 2½ percent.

But you will recall, the President did not object to the amount in the bill so the reduction of 2½ percent is not a matter in issue. Neither did he object to first start. His only objection was to unbudgeted construction.

All the Presidents except eight have exercised the right of veto. Jefferson did not veto a single bill during his two terms of office.

President Grover Cleveland was the first President to make a notable record in vetoing bills. He vetoed 414 bills—more than all previous Presidents combined. Of all the Presidents he was exceeded only by that great breaker of all records, Franklin D. Roosevelt, who vetoed 632 bills.

So the bill before us today does not present a single new issue. It is the same bill we debated before. It is the same bill we passed. It is the same bill the President vetoed.

Everyone is thoroughly conversant with the bill. Further exposition would be superfluous.

It is however a precedent breaker in one respect. It is the first vetoed bill in the history of the Congress ever reported back to the House still carrying in full the material objected to in the veto message. All former vetoed bills have either been reported back to the House and passed without the interdicted matter or have not been reported back at all.

Mr. Chairman, I reserve the balance of my time.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at the outset of my remarks I want to say that had our great President known all the facts relative to this bill, and had he received proper advice, which I am sure he did not receive, I am sure President Eisenhower would not have vetoed this bill. Every President, of course, has a perfect right to veto any bill he sees fit to veto.

I am sure the President did not know that 32 of the projects objected to in the veto message are urgently needed for flood control in order to protect life and property.

I have visited the sites of many of these projects where great floods have raged which have cost the lives of many people and caused property damage of hundreds of millions of dollars. In my home county, a year ago last July 2, a flood occurred which cost the lives of 19 of my friends in that county. Then, Mr. Chairman, last spring, I made two Lincoln Day speeches in Pennsylvania, at Sharon and at Meadville. There I saw with my own eyes the effects of those terrible floods that occurred in Pennsylvania last spring, driving thousands and thousands of people from their homes. This bill which the President vetoed carried money for the construction of a dam that would help control the devastating floods in that area.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am glad to yield to the gentleman.

Mr. GAVIN. I have in my hand a report from the Department of Commerce, a flood damage report. The flood to which the gentleman refers occurred between January 21 and 25, 1959. The damage in western Pennsylvania was $18,082,199. For western Pennsylvania, including the Pittsburgh district it was $27,871,856, the most devastating, destructive floods that caused $28 million damage in western Pennsylvania in and around the Pittsburgh and Shenango districts.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I do not hold our great President in any lower esteem because he vetoed this bill. I am sure he would not have done as President Truman did the day after Congress adjourned in 1947, when he froze 50 percent of the funds which Congress had just that session appropriated for the Army Engineers and the Bureau of Reclamation. The day after the Members of Congress were out of town the President took upon himself to freeze 50 percent of the funds which Congress had appropriated that year for flood control, irrigation, reclamation, hydroelectric power, river improvements and harbor improvements. Then immediately after the devastating flood in November 1947 the President unfroze the 50 percent and said that the Republican-controlled Congress had not appropriated enough money for flood control and he said they were responsible for the terrible floods that occurred.

President Eisenhower will not do that, I am sure.

Mr. Chairman, there are a few facts and figures I want to read into the RECORD that have not been brought out before. President Eisenhower in his budget message did not say he objected to new starts. There is not one word about new starts. He simply said he opposed unbudgeted construction items that were included in the bill.

In his own budget request to the Congress there were 27 new projects for which he asked planning money. There are your new starts. A new start is when you begin spending money for planning and advance engineering. That is as much a necessary part of building a project as is the actual moving of dirt and pouring of concrete.

If in a couple of years, because of the fact that Congress held down for one year appropriated funds to stop devastating floods in many of these areas, we lose many lives, millions of dollars worth of property and folks are driven from their homes, I am not going to have that on my conscience. You can if you

want to. That is every Member's own responsibility.

What did the House Committee accomplish? We brought this public works bill to the floor of the House exactly to the penny the amount that the President had requested in his budget and on final passage of that bill only 20 voted nay, while 380 voted yea, and it is noteworthy that the leaders on both sides of the aisle voted yea.

It is true that some new projects were included in the House bill. Yes, there were projects in that bill for districts represented by Democrats and Republicans alike. Many of my colleagues came to me and said "the flood problem out in my district is terrific and my people are concerned about it. They want the money to control those devastating floods."

Now the facts are, of course, when Members on the other side of the aisle put in projects in the districts of their Members it is very natural that Members on this side take the position that if you are going to put in projects for Members on your side of the aisle, we will have to try to match it to some degree at least, and we have included in the bill a number of worthy projects.

What happened when this bill went over to the Senate? That body increased our appropriations by $80 million. The House conferees battled for 2 days with the Senate conferees and we struck out 15 unbudgeted construction projects of the 30 which the Senate had added. Those 30 that they added would ultimately have cost $585,700,000. The final cost of the 15 unbudgeted projects which the House conferees were successful in striking from the Senate bill amounted to $460 million plus. We left only $125,600,000 in the conference report for unbudgeted projects which the Senate added to the House bill.

I am sure the President of the United States did not have those facts before him. He was a very busy man those days. He was arranging for his trip abroad to bring peace to the world and action on this bill was of lesser importance to President Eisenhower. But he had bad information from the Bureau of the Budget and from his other close associates. They claimed that the unbudgeted projects in this bill would ultimately cost over $800 million. The facts are they were over $300 million wrong, and let us not forget that on an average, from preliminary surveys to completed construction it takes 10 years.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Michigan.

Mr. KNOX. Following along the gentleman's statement, you speak of unauthorized projects and you speak of new starts. There are many projects that have been authorized by Congress. Work had been done on the projects, and then they were suspended. Do you consider that type of project as a new start?

Mr. JENSEN. No; indeed I do not.

Mr. KNOX. I thank the gentleman.

Mr. Chairman, will the gentleman yield further?

Mr. JENSEN. I will be happy to yield.

Mr. KNOX. Well, it is my understanding that the bill which is now before the committee provides for a 2½-percent cut in the overall appropriations which now would bring it within the budget amount as recommended in the President's budget; is that correct?

Mr. JENSEN. That is correct.

Mr. KNOX. If I recall properly, the gentleman from New York [Mr. TABER] offered a motion to refer the bill back to the committee with a 5-percent cut, when the bill was before the House.

Mr. JENSEN. The gentleman is correct. The motion to recommit included an amendment to reduce by 5 percent all projects but the smaller ones.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield for a correction?

Mr. JENSEN. I yield.

Mr. SMITH of Mississippi. I would like to call the attention of the gentleman to the fact that when he uses the term "unauthorized" he means "unbudgeted."

Mr. JENSEN. Unbudgeted, I beg your pardon. I will correct my remarks in that regard. However, there were some unauthorized projects in this bill, too, as far as that is concerned.

Referring back to the question of the gentleman from Michigan—when the full Committee on Appropriations marked up this bill I offered an amendment which provided that we should make an across-the-board cut of 5 percent on all projects amounting to $5 million or more. That amendment was defeated by an almost strict party vote. When the bill came to the floor, a similar amendment was offered by the gentleman from New York [Mr. TABER] in connection with his motion to recommit the bill. I shall offer an amendment to this bill today which will do just that. I shall offer an amendment which will reduce the bill by another 2½ percent in addition to the 2½ percent reduction which the bill provides now as it comes to the floor. That will bring it approximately $30 million below the President's budget request. I do that not only to save the $30 million, but also in the hope that it might forestall another Presidential veto.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I take it, then, that the gentleman means to endorse the principle of the pending bill.

Mr. JENSEN. Yes, with the 2½ percent additional over and above the 2½ percent by which it already has been reduced.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. KEARNS. Mr. Chairman, I should like to pay a special tribute to the gentleman from Iowa [Mr. JENSEN], having been in my district during those disastrous floods. And I should like to pay tribute to the entire Committee on Appropriations and the conferees for having the interests of the American people at heart and for trying to do a job that is really worth while. I know 428,000 people who are going to appreciate the gentleman's efforts and those of the committee.

Mr. JENSEN. I thank the gentleman.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. JONAS. The gentleman from Iowa stated that the $800 million figure cost figure was overstated by $300 million.

Mr. JENSEN. Over $300 million.

Mr. JONAS. I call the gentleman's attention to the fact that the distinguished Chairman of the House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], put a table in the RECORD itemizing the projects and the total cost of the 67 unbudgeted projects comes to $800 million which is exactly the figure used in the President's veto message. Will the gentleman please clarify that apparent inconsistency.

Mr. JENSEN. Yes, I will. After those figures were put in the RECORD, the clerks of the Public Works Appropriations Committee went into the matter item-by-item and they brought out the facts and the figures which can be proven. The net cost after 1960 for the projects that have been added by the bill which the President vetoed would be $476,918,247.

Mr. JONAS. It is true, though, that the figures placed in the RECORD by the gentleman from Missouri [Mr. CANNON] agree with the $800 million figure given by the President?

Mr. JENSEN. I cannot help that. I am sure the gentleman from Missouri [Mr. CANNON], will now agree that the figures which the clerks have prepared are correct as I have stated.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. THOMSON of Wyoming. In reclamation, which is the part with which I am familiar, I point out to the gentleman from North Carolina that the Burns Creek project is unauthorized and cannot be constructed in any event, which takes away $45 million from the $206 million eventual cost to which the President objected. Furthermore the Trinity power project, which I do not think ever should have been in the bill is still left in the bill prepared to meet the President's objection and comes to $60 million. There is over $105 million off the $206 million cited by the President, in reclamation. When you take off the $17 million for the small loan projects which will all be constructed in 1 year, the eventual cost is $85 million instead of $206 million as stated in the veto message.

Mr. JENSEN. At this point, Mr. Chairman, I insert a summary of the 67 unbudgeted construction items in the veto message.

Summary of 67 unbudgeted construction items in veto message

Project	Number	Total estimated Federal cost
Total unbudgeted construction items	67	$804,526,600
Deduct:		
Unauthorized projects included in totals:		
Burns Creek, Idaho	1	−44,616,000
Kahului Harbor, Hawaii	1	−963,000
Gulf Intracoastal Waterway, channel to Port Mansfield	1	−3,446,060
Subtotal, unauthorized projects	3	−49,025,000
Projects that will be completed with 1960 appropriations:		
Dillingham Harbor, Alaska	1	−412,000
Redwood City Harbor, Calif	1	−1,380,000
Apalachicola Bay, Fla.:		
(a) Channel at East Point (reimbursement)	1	−39,100
(b) St. George Island (reimbursement)	1	−43,000
Algiers Cutoff, Jefferson Plaquemine Drainage District, Louisiana	1	−1,420,000
Boston Harbor (35 feet reserved channel)	1	−829,000
Pascagoula Harbor, Miss	1	−1,248,000
Buttermilk Channel, N.Y	1	−1,551,000
Port Aransas—Corpus Christie Waterway, channel to La Quinta, Tex. (reimbursement)	1	−959,000
Subtotal, projects completed in 1960	9	−7,881,100
Deduct—Continued		
Allegheny River Reservoir (present budget included carryover funds to resume construction when Supreme Court issue settled)	1	−$113,000,000
Trinity power facilities (recommended in veto message if partnership proposal not authorized)	1	−59,607,000
Reclamation loan program	6	−17,989,000
Total, above deductions	20	−246,602,100
Balance, veto list	47	557,924,500
Less:		
Appropriated through 1959		−10,147,253
Amount in bill for 1960		−33,076,000
Remaining cost after 1960	47	514,701,247
Budgeted projects stopped by Congress	−3	−37,783,000
Net cost after 1960	44	476,918,247

Of the 47 projects 32 are flood control, 7 are navigation, 7 are reclamation, and 1 is multipurpose.

Only 9 of the 47 projects have a cost in excess of $20,000,000, and only 2 of these exceed $50,000,000.

22 of the projects have a cost of less than $5,000,000; 33 of the 47 projects have a cost of less than $10,000,000.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WALTER. I note in the report that the reduction is 2½ percent. Does that mean 2½ percent of the budget estimate or 2½ percent of the conference allowance?

Mr. JENSEN. That means 2½ percent of the total conference allowance.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CLEM MILLER. In view of the confusion over the authorized and unauthorized projects that are in this budget, I wonder if the gentleman would clarify the situation as to the unauthorized projects in this bill.

Mr. JENSEN. Yes, I shall do that right now. I shall put the whole story in the RECORD.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman.

Mr. HALLECK. We can all get time under the 5-minute rule, I understand. Did the gentleman have in mind yielding any time?

Mr. JENSEN. No one asked me for time.

Mr. HALLECK. I have not made any formal request; that is true.

Mr. JENSEN. Does the gentleman want some time yielded to him?

Mr. HALLECK. Yes; before this is over.

Mr. JENSEN. Continuing now with the list of unauthorized projects: Burns Creek, Idaho. The final total cost of that project would be $44,616,000.

The Kahului Harbor, Hawaii project, $963,000.

The Gulf Intracostal Waterway channel to Port Mansfield, $3,446,000. That is a total of $49,025,000, which represents the ultimate cost of the unauthorized projects in the bill, when they are completed.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. MAHON. Did not the bill provide that no funds could be expended for the unauthorized projects unless they were authorized by the Congress?

Mr. JENSEN. That is correct.

Permit me to say in closing that I challenge any Member of this House to match my record for economy. If there be such a Member, let him stand in his place and speak up.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, I am not here today to talk about why the President vetoed the bill. But I am here to try to tell you a little bit of the history of these things. When the first of the year came and this Congress went into session, the President sent word to the Congress that he wanted economy. Yet we have bought over $8 billion worth of minerals for the stockpile and over $4 billion worth are excess to our maximum defense needs. Nearly every general, admiral, and Air Force chief who comes before us tells us that the next war, if it comes, would last maybe only a few days or at best weeks. But, we have over $8 billion worth of minerals, enough to last many years, and we are still buying. The other day we voted to increase the tax on gasoline by 1 cent to provide more funds for highways. I voted for it. I am not condemning anyone who voted against it. But the gentleman from Wyoming will tell you that they are building cloverleafs costing millions in Wyoming where, if you see an automobile coming along, by golly you stop to see what State it is from. But nobody is objecting to that waste. And we have the surplus wheat situation which has cost millions. Yet when it comes to flood control, people are economy minded all of a sudden.

Take a look at the record on these projects. There are only two projects in this bill that are not authorized, and the funds cannot be spent until they are authorized. They were not put in there blindly. Every project in this will stand the acid test. The Army Engineers have approved them and the Public Works Committee that authorized them—not the appropriating committee, heard the testimony for weeks and put its okay on each project. They all have a good rating. But, did anybody in this Congress get any project ratings on the millions and millions of dollars we are sending abroad on public works? Do you even know what countries these projects are going to be built in?

We must remember that we also have a responsibility to take care of our own country. My colleague, the gentleman from Iowa, and I saw thousands being put out of their homes last January—families—with children being held in the arms of their parents in zero weather looking at the water coming in the second floor windows. The Budget Bureau sent people down there who had never seen a flood in their lives and yet we are expected to let them select the projects to go in this bill. It only costs $13 million to build that dam and reservoir that I have in mind, and it is not in my district. The local interests are paying half the cost. But the flood damage was $16 million—is that economy? The flood stopped all the industrial plants from operating. Mr. JENSEN saw the situation in Sharon, Pa. I went there too, and I saw it. But the Budget Bureau objects to our appropriating construction funds this year because it was not in their budget. Despite the flood they included this

project on the veto list. Some of their staff have never seen a flood and yet they send the budget up here and expect to tell us what we should do. I again repeat—we had better stop, look, and listen. I have told you many, many times on the floor of the House here that every dollar invested in America will come back 100 percent. It cannot fail, but all the money that is being invested all around the world—very little of that is going to come back home to do you any good. That is why I am asking you here today to accept this bill the way the committee has reported it to you.

Every project in the bill will stand the acid test. I urge everyone here to do something for your country. God gave us this country. God gave us the soil, the rocks, the mountains, the woods, the streams. Let us do a good job protecting and preserving them. Let this be one of the few times in history that we do something in and for America.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. It is a little difficult to understand why this bill should be called a pork barrel bill. In 1927 we had a flood in the lower Mississippi Valley that cost the economy of this Nation in excess of $1 billion and more importantly, cost 329 lives.

There are records available proving that for each dollar spent in the valley the return has been $4.50. On a national basis for each $1 spent in public works type projects there has been a return of $2.10. Those records are available to any of you.

Unless you start a project you can never complete one. If new projects have favorable cost-benefit ratios we should continue the new starts policy.

Now, for the benefit of the members of the committee who have been too busy to study the Foreign Operations Subcommittee hearings, I refer you to pages 940 and 941 of the hearings for 1960 on the foreign aid bill—the gentleman from New York [Mr. TABER] I am sure will recall this—you will see listed the different types of public works projects being carried on in other nations. So far as we can determine not one of those projects has ever received the careful planning and scrutiny of the Corps of Engineers, the Bureau of the Budget, or the Congress; nor has there ever been any cost-benefit ratio figure for these projects submitted to the committee. The foreign aid program contained 2,866 projects scattered all over the world. Approximately 1,000 of them have been abandoned.

If you will refer to page 1205 of the hearings you will discover that the witness told us that even after discontinuing some of the projects they still had in the neighborhood of 1,450 projects underway financed by the foreign aid appropriation bill.

You are talking now about a planned public works program, yet you will find the same administration that vetoed this bill is asking for a foreign aid bill where there are over 1,450 projects programed for expenditures in the same fiscal year.

If you will read the foreign aid hearings you will certainly find out that some of the people who are advocating cutting our own public works program—a properly planned program and where part of the cost is reimbursable—are urging appropriations in the foreign aid bill for public works projects in some 76 nations of the world.

We must be consistent. If we are to have no new starts in this country certainly we should have no new starts in the foreign aid bill.

Mr. Chairman, I ask unanimous consent to revise my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, first of all I should like to make reference to the remarks of the gentleman from Iowa [Mr. JENSEN] about the return of our great President from his trip to Europe. I want to take this opportunity to say that the President is quite pleased with the results of that trip. He is mighty happy to be back. I personally feel that he has done much by the trip to promote the peace of the world and I think future actions on his part will be in the same line.

To say that his veto of this bill was not promoted by his own firm conviction is not right. His determination to veto this bill was made before he left for Europe and was made on his own responsibility.

As the chairman of the committee has pointed out, our President has used the veto sparingly, may I say, in comparison with some predecessors who have vetoed bills in great numbers. I do not think this is any abuse of the President's privilege.

The statements I have heard thus far, and particularly coming from the chairman of the committee, for whom I have the greatest respect, would seem to be inviting a veto.

I would like to read to you now, before you think this is too funny, what the chairman of the committee, the gentleman from Missouri, had to say when this bill was before the House last June. He said:

> Mr. Chairman, this is one of the important bills of the session. It is the bill which unbalances the budget.

He went on to say:

> But, Mr. Chairman, you know—and if you do not know—this bill demonstrates conclusively that it is not the national defense expenditures that unbalance the budget. It is the nondefense items that unbalance the budget.

Then he went on to say, speaking on this very bill:

> We cannot escape the responsibility for the situation as we find it today. Congress spent the money and increased the national debt and brought on the inflation. The responsibility is right here on this floor. We cannot offer an alibi. We cannot pass the buck. And the reason we can no longer sell bonds at 2 percent is because we have steadily and stubbornly and continuously refused to retrench expenditures and begin systematically and methodically to reduce the national debt and stop inflation. Congress did it and let no one try to make the people back home believe any different.

Then he said further what you may well take to heart because he made the speech that needed to be made on this floor. I did not have to make it.

> But this Congress has doubled the cost of breakfast, doubled the cost of school clothing. Ah; it comes home to you. Congress has increased the cost of living of every family in the district of every Member of this House.

Mr. Chairman, I hope an amendment will be offered to bring this bill in line with what the President requested. I think it is reasonable, I think it is right, and I think it is in the best interests of the country. I realize, of course, that many of our folks at home are for economy if you take the "me" out of it. I have experienced that. So have you. But there is only one way I know of to bring down the cost of the Government and that is to begin to cut the very things that the gentleman from Missouri talked about, and they are as true as true can be.

You have the votes to defeat this amendment that will be offered by the gentleman from New York [Mr. TABER]. You have the votes to do it, and you will do it. I do not know what the final action on the bill will be, but, in any event, I want the responsibility to rest just where it should.

As far as I am concerned I shall support the amendment. If it carries I shall vote for the bill. If it does not carry I am going to vote against the bill. I am going to follow the advice of the chairman of this great committee.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I have asked for this time to refresh the minds of the members of the committee in regard to a few salient facts with reference to this appropriation bill.

For several months the subcommittee that handled this bill worked diligently screening the requests that were made and ascertaining the facts in regard to them. There were 1,150 witnesses who appeared before this subcommittee and gave testimony in regard to these projects. Seven or eight hundred of them came from all over the United States, many of them at their own expense, some of them supported by organizations that were interested in a particular project, to give testimony to the Congress.

Now, the first question I want to ask is this. Who has the best information in regard to this bill, the subcommittee that heard these witnesses, or the pencil-and-paper boys down at the Bureau of the Budget? Every project was carefully considered and every item in this bill was passed by both Houses of Congress and they weathered the conference. So, it represents the best thinking of both this body and the other body. And, I call your attention to this fact, that in the committee the other day they decided that they could not improve this bill over the bill that was presented before, except to bring it within

the dollar limit set by the Bureau of the Budget, in order to hold the budget within bounds. It is the same bill with everybody taking a little cut in order to bring it in line, and it represents, again I tell you, the best thinking of both this body and the other body.

Now, in regard to these new projects, budget requests are made up about a year before they are presented to the Congress. Now, I do not believe that even the omniscient Bureau of the Budget can anticipate emergencies and problems a year in advance. Unprecedented floods occurred in many of the States: Kentucky, Ohio, Pennsylvania, New York, and other States; one unprecedented and disastrous flood after the other. Do you think that this body should sit here and not take cognizance of that; not make some effort to prevent a recurrence? There is not a vetoed item in this bill that affects my State, but I am interested and the people of my State are interested in this Nation as a whole. I do not believe that Congress would be faithful to its trust if it did not recognize these emergencies that occur after the budget requests are made.

Now, about the future spending and future costs. Have you no faith in future Congresses? This Congress cannot bind another Congress if it wanted to. Those Congresses must assume their own responsibility and handle the problems as they arise before them.

Now, a whole lot has been said here this morning about economy. Let us see who is economical. Here is a recapitulation of the appropriation requests that were presented to this session of the Congress. And, what did the House do? They have cut $2,756,340,224 off of the requests submitted to them by the bureaus downtown. What happened? There was a stampede over to the other body, with the approval and blessing of the same Bureau of the Budget, to put those cuts back into the bill. Who is concerned about economy, the House or the Bureau of the Budget and the bureaucrats downtown? I do not think that we would be doing our duty if we did not give the proper consideration to the facts that were presented to us.

Mr. Chairman, in my opinion this is a well-considered bill, a fair bill, a reasonable bill, and I hope this House will approve it overwhelmingly.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, as a member of the Committee on Appropriations, I offered this motion to reduce each item 2½ percent and to retain the 67 new projects, after it became apparent that it would not be offered otherwise. I am not a member of the Public Works Subcommittee. I have no projects in this bill, present, past or future. I offered that motion because I think, and I thought then, that it is high time we took care of our own country. If the President and a majority of the Congress are going to have a foreign aid program of billions of dollars annually; if we are going to raise travel allowances for Federal employees, Federal pay; if we are going to increase benefits to veterans, and provide more inflated dollars to almost everything, if we are going to have all these other things, if we continue using appropriations to put money in the hands of people and thereby increase the national debt. I think that we owe it to our future and to our children to protect our own country, its soil and its natural resources. The President's veto would have us do all these other things at the expense of our own country.

These facts are argument, not against domestic public works but for them. May I say to you that the argument made as to how much we owe, and about the deficit, and all of that, is the strongest argument for giving attention to our own country that I can bring you. May I tell you that the strength of the dollars that we have, the ability to pay debts that we owe, for whatever it is worth, is dependent upon the country that stands behind it.

While I could say many fine things about the chairman of my committee and the ranking Republican member, and we can all second-guess the other fellow, but if I were running the Appropriations Committee, in the capacity of either one of them, the first bill on this floor each and every year would be Public Works. It is not bacon, not pork, but I would protect the base from which all these other things must be supported.

Mr. Chairman, money spent improving the Nation, preventing floods that cause damage of hundreds of millions of dollars—and preventing drought damage, improving harbors, is sound. Yes, I would look out for my country first, recognizing that it is the basis for everything. Then after we have looked after the factory and the home, I would see what else we were able to do. But unfortunately we do not do that. We follow the practice of appropriating for everything else under the sun, then when it comes to this bill, which supports the very foundation of our Nation, we are told we cannot afford to do that, we must let the Nation's resources go because we have committed ourselves to look after everybody else. Is such a course not ridiculous?

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. HOLLAND].

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman the President of the United States by his veto of the public works program covering projects in the United States, has proven to the people of our country that he is more interested in public works that are being built in foreign countries than our own.

Millions of dollars have been given in foreign relief to the countries scattered all over the world to build dams, hydroelectric projects, schools, roads, and many other projects, at the cost of spending sufficient money to develop our own America.

I am in favor of and have voted to assist these underprivileged countries in improving their way of living. However, at the same time I believe we should invest in America, by developing our own resources, in improving our Nation, especially from the ravages of nature in the way of floods. The Commonwealth of Pennsylvania has suffered terrific losses over the years—not only have we had loss of life, and loss of property, but our industries have been affected also as they have been built along our rivers.

This second bill was entirely unnecessary. Republican Representatives in Pennsylvania who through partisan politics voted to sustain the President's veto, voted against their own State.

Today, we are making another try. We hope this time the President shall realize the projects are a must.

The wants of our own country should come first.

Members of Congress are well acquainted with what is necessary in their own districts and have spoken out twice in this session.

The President should listen.

Mr. SMITH of Iowa. Mr. Chairman, some people have interpreted the dispute between Congress and the President over the Public Works Bill as being one over whether it is inflationary or good to have a continuing expansion of public works projects; but, there is another question of great importance. That question is whether the President or the Congress should determine which projects shall be started or included in the money to be invested. This is basically a question of which form of government one believes in.

Under the parliamentary form of government used in England and many western countries, the head of government serves at the pleasure of the legislature and, therefore, would act according to the wishes of a majority of the peoples' elected representatives. In dictatorships which have legislatures, the legislature actually does as the head of government desires, down to the last word. This was the case in Germany after Hitler had whipped his legislative branch into line and is true in military dictatorships in many countries.

We in the United States have a combination of these forms in our government where the legislature has an absolute right to determine such policy as can pass by a two-thirds vote and has always been expected to determine by majority vote the details of legislation such as whether one public works project should be started before another one. If a couple of the President's advisers are to determine such things as this, then our Congress would be a mere rubber stamp, and we would in fact have the military dictatorship form of government rather than the American system. This is underscored in connection with the public works bill in view of the fact that the Administration has told some Congressmen that the determination of the inclusion or exclusion of projects in their Districts next year will be made upon

whether or not they support the President's position. This is making strictly one party politics the replacement for bipartisan consideration of the matter and strikes at the very root of the difference between a responsible legislative government and one where the legislature is a mere rubber stamp. Historically, basic rights have been trampled upon where legislatures became a mere rubber stamp. It is the fear of this military approach that has always made people in the United States reluctant to trust professional military men as the head of civilian departments.

The cherished American form of government and the reservation of protective authority in the peoples' legislative representatives is so basically important that we must never permit its erosion. It is a highly important part of this dispute over the public works bill, and I sincerely hope the President will consider the impact of his insistence upon infringing upon the responsibilities and rights of the legislative branch of government and using the powers of his office in derogation of the doctrine of separation of powers and the importance of this doctrine to our American way of life.

Mr. MOSS. Mr. Chairman, I wish to challenge emphatically the gentleman from Wyoming [Mr. THOMSON] in his contention in a letter circulated yesterday to Members of the House that Federal construction of the Trinity Power facilities in northern California should be struck from the public works money bill.

If the gentleman had studied the record of this Congress he would know that it is not going to agree to any misnamed partnership on the Trinity River project. I point out that the President himself recognized this fact in his recent veto message returning H.R. 7509 to the Congress without approval. The President's veto message stated that if the Congress continues its refusal to approve private construction of the Trinity Power facilities, a new public works appropriations bill should include funds to provide for Federal construction of these power facilities. He pointed out that the Trinity River Dam and Reservoir is now being built and it is essential that power facilities be in place when the reservoir is full.

The gentleman from Wyoming makes the same charges as the Secretary of the Interior did in past hearings before the House Interior and Insular Affairs Committee. I call his attention to the fact that on February 1, 1957, Secretary Seaton unequivocally reported that under the so-called P.G. & E. plan, the Central Valley project over a 50-year period would earn some $86 million more from the sale of falling water to the utility than it would earn by selling this power itself. This figure was proved to be in error and the Secretary thereupon upped it, on June 5, 1957, to $115 million. Then, in January 1958 in hearings before the House committee, Mr. Samuel Morris, an internationally famous engineer, challenged the $115 million figure and the Secretary of the Interior, like a prestidigitator with a hatful of rabbits, came up with a new figure—$139 million this time. Naturally, these figures were arrived at in close consultation with the Pacific Gas & Electric Co., and in fact, that corporation's unchecked figures were frequently utilized by the Interior Department in its arguments in favor of the partnership plan.

In a report prepared in April 1959 for the California Municipal Utilities Corp. by the Engineering Consultants, Inc., of Denver, Colo.—a highly competent firm of international reputation—it is disclosed that all the joint features of the Trinity will be completed and ready for operation on July 1, 1963, if the present construction schedule is followed.

It is the opinion of this firm of engineers which, incidentally, employs as its chief consultant L. N. McClellan, former chief engineer of the Bureau of Reclamation and the man responsible for the design of the Trinity project, that the joint features of Trinity could be completed a full year sooner than July 1, 1963, that is to say, on July 1, 1962, if ample funds for construction were made available by the Congress in fiscal years 1960, 1961, and 1962.

In this connection, Engineering Consultants, Inc., makes the following meaningful statement:

> When the joint features are completed, the Government will have an investment of about $200 million in the Trinity River project, exclusive of power features. The Bureau of Reclamation's own estimates show that the gross power revenues from the Central Valley project will amount to about $16,350,000 per year after the Trinity River division is in full operation. Without the Trinity powerplants, the gross power revenues will amount to approximately $10,500,000 per year.
>
> Consequently, about $5,500,000 in revenues would be lost to the project for each year that the power features of the Trinity project are delayed. It appears, therefore, that it would be most advantageous to the Federal Government to complete the remaining joint features of the project, and to have the power features also completed at the earliest practical date in order to minimize interest during construction, to reduce the Bureau's overhead and supervision costs, and to secure the $5,500,000 annual power revenues as soon as possible. In may be added, too, that in recent years construction costs have escalated about 5 percent per year, and there appears no immediate prospect that this trend will change. Early completion then would bring substantial savings to the Government.

The gentleman from Wyoming is completely mistaken in his contention that it would save taxpayers money if the Trinity power facilities were built as a partnership project.

For one thing, the Federal Government itself will be the principal customer for Trinity power to operate additional Central Valley pumps and to meet increasing power needs of numerous defense installations. So, it is a question of whether, through partnership with the Pacific Gas & Electric Co., a middleman profit should be taken out by the Federal production and Federal consumption of this commodity.

Incidentally, and contrary to the general conception, the Government gets a higher average return on its Central Valley project power sales to public agencies than it does on the sales to the Pacific Gas & Electric Co. In 1958, for example, the Pacific Gas & Electric Co. got most of the power, but the 25 public agency customers coughed up most of the money. The specific figures from a tabulation of power sales data furnished by the Bureau of Reclamation are:

	Energy sales (kilowatt-hours)	Net revenue to United States
Pacific Gas & Electric Co.	1,794,667,132	$5,387,690
25 public agencies	1,689,487,361	7,326,338

Of course, I readily admit that a large share of the power delivered to the Pacific Gas & Electric Co. was nonfirm, but nevertheless, overall, the Pacific Gas & Electric Co. got Central Valley project power at an average rate of 3 mills per kilowatt-hour while the public customers paid 4.34 mills.

The partnership proposal not only would deprive the people of California of the benefits of low cost public power, it would also put the State in a position of having to pay millions more for power to operate its own water plan.

This would be especially true in case of the proposed San Luis Reservoir on the west side of the Central Valley. In this planned project, power from Trinity is earmarked to run the pumps to hoist water from the Delta-Mendota Canal to the San Luis Reservoir, where the water would be stored for delivery to the San Joaquin Valley and southern California.

Under "partnership," the P.G. & E. would build the Trinity powerplants, generate the Trinity power and sell it to the San Luis project at the private utility's rates. It is easy to understand how this kind of "partnership" would be good for the P.G. & E., but how it would be good for the State of California and the Federal Government is difficult to comprehend.

Actually, if P.G. & E. were to get Trinity power, and if the Government then constructs the San Luis project, there would only be enough CVP power left for one preference customer—the Sacramento Municipal Utility District, which has a 40-year contract for 290,000 kilowatts. All other preference customers now receiving CVP power, and many Federal agencies would have to buy their power from the P.G. & E. at several times the rate they now pay. This certainly cannot by the wildest stretch of the imagination be considered economy in the operation of the Government.

It is regrettable that the gentleman from Wyoming has been misinformed about the P.G. & E. partnership deal. Far from saving the Federal Government money, it would be bad business for Uncle Sam.

Any illusory increased revenues the Federal Government is promised under the "partnership" plan could obviously be equaled or exceeded by a minor increase in the power rates of CVP. This could be done by the Federal Government, merely by adding its profit to the increased net revenue, without paying tribute to a private utility. However, it is the established policy of the Government not to realize a "profit" from power

sales. The established policy, in which I concur, is to sell power at a price which will fully reimburse the Treasury for costs involved and will at the same time furnish electric energy to consumers and Government installations at minimum cost to them.

PASCAGOULA, MISS., HARBOR PROJECT

Mr. COLMER. Mr. Chairman, there is an appropriation item in this bill in which I am very much interested. I refer to the appropriation of $1,242,000 for the Pascagoula, Miss., harbor project. If there is an item in the whole billion-dollar-plus bill that can be justified upon its merits, it is this item. This project is not my project alone. It is a project that every Member of this House should be interested in. It is just as much a part of the national defense as any item in the $40 billion defense appropriation bill passed earlier this session.

Mr. Chairman, I make this statement based on the following facts: The Ingalls Shipbuilding Corp., the largest single industry in Mississippi, is located at the mouth of the Pascagoula River in my home town of Pascagoula. This industry, employing some 6,000 to 11,000 people, is engaged, among other things, in the construction of naval craft for the Navy, and merchant vessels for our merchant marine. This yard, both in World Wars I and II was active in the construction of vessels necessary for the defense of this country. More specifically, Mr. Chairman, this yard now has under contract and construction two Polaris nuclear submarines. One conventional submarine has already been launched and two of the Polaris type now under construction will be launched and ready for sea trials before July 1, 1960.

Mr. Chairman, the simple fact is that the present depth of 22 feet of the harbor and channel is insufficient to get these important vessels, which require 30-foot depths, to sea. Time is of the essence. This work must be begun within the next 60 days; not within the next 6 months or a year.

The question has been raised as to why these vessels were authorized to be constructed at this yard in the first place. The answer is that the project contained in this bill was started in 1950 by a resolution introduced by me and approved by the House Committee on Public Works. This document calls for a review of the existing project of 22 feet looking to its modification to a depth of 30 feet. Furthermore, the Navy was assured prior to its award of these contracts that the project which had been authorized by the Congress in 1954—Public Law 780, 83d Congress—would be completed to a depth of 30 feet in ample time for the submarines to go to sea. Both the Navy, the Ingalls Shipbuilding Corp. officials and we in the Congress had every reason to believe that this would be done seasonably. In fact, the 1954 act to which I have just referred authorized the project subject to the final approval of the Corps of Army Engineers. The Army Engineers did approve it; but, unfortunately, before all of the final steps were taken in clearing the various branches of Government required, the report approving the project by the Engineers was not finally filed and printed until March 18 this year.

And here we have the crux of the situation. The report was not finally filed until after the President submitted his budget to the Congress. Immediately, I attempted to persuade the Bureau of the Budget to send a supplemental recommendation for this project to the Congress. On two occasions I personally called upon the Budget Director and on numerous occasions I contacted the Bureau by telephone and otherwise. Mr. Stans, the Budget Director, always agreed that this project was not only meritorious but that it had to be completed and that the necessary money had to be had this year. In fact, everyone whom we contacted, and we must have contacted at least 50 officials in both the executive and legislative departments, agreed that the project must be carried out and that the necessary funds had to be appropriated this year. In fairness, it should be stated that the Bureau of the Budget and the White House did attempt to cooperate in every way short of formally requesting the funds for the project of the Congress. At one stage, the White House even went so far as to direct the Navy to do this work out of its own funds. But, the Comptroller General ruled against this.

Mr. Chairman, during the hearings on the original appropriations bill this year I appeared together with several witnesses before the House Subcommittee on Appropriations for Public Works and urged the inclusion of the necessary funds for the project. The subcommittee was so impressed with the merits of and the necessity for the project that they included it in the original bill. The full Appropriations Committee approved this action, as did the House and the Senate. Subsequently, of course, as you know, the President vetoed the bill, and the project is in the new bill now before us. While it is true that the new bill carries a 2½ percent reduction, I am confident that the project can be completed.

So far I have discussed only the urgency because of the military aspects of the project. I should like, however, to point out that the domestic features of the bill are most important. Pascagoula is a rapidly growing city. It is an industrial city. Its population has more than trebled in the past two decades. There are several large industries that use this port. One, the H. K. Porter Co., which has recently constructed a multimillion-dollar industry there, is required to have the minerals-bearing vessels go to Mobile, Ala., and unload part of the cargo before they can bring the vessels through the port at Pascagoula to unload.

LOCAL CONTRIBUTION

Mr. Chairman, I doubt if there is a project in this bill or has been one in other bills where there has been a greater percentage of local contribution. First, I call your attention to the fact that this channel was dredged from the authorized 22 feet to 30 feet at a cost of nearly $1 million by local interests some 10 years ago. Second, an auxiliary channel leading to the Bayou Casotte development has just been completed within the last year at a depth of 30 feet at a cost in excess of $2 million by local interests. The Dog River Cut-Off, another part of this project, which, incidentally, was authorized by this Congress some 8 or 10 years ago, was dredged at a cost to local interests of $63,000.

In 1958 another $2 million was expended by local interests for terminal facilities. All in all, Jackson County and the city of Pascagoula, Miss., have expended more than $5 million for dredging and developing this port as its contribution.

But, this is not all. The State of Mississippi has within the past few weeks approved a $10 million bond issue in State aid for the development of the port.

Finally, Mr. Chairman, I return to the defense angle of this project. During the hearings on the project before the Public Works Subcommittee, I submitted to that committee and for the RECORD last April the following letters from Adm. Ralph E. Wilson and Rear Adm. A. G. Mumma, Department of the Navy, showing the necessity for prompt action:

DEPARTMENT OF THE NAVY,
OFFICE, CHIEF OF NAVAL OPERATIONS,
Washington, D.C., April 28, 1959.

Hon. WILLIAM M. COLMER,
House of Representatives,
Washington, D.C.

MY DEAR MR. COLMER: This is in response to your telephone inquiry concerning the Navy's interests in achieving safe navigation through the Pascagoula Channel.

The Navy has determined that the Ingalls Shipbuilding Corp. at Pascagoula, Miss., is an efficient commercial shipyard. Recognizing this essential factor in shipbuilding, a series of construction contracts have been concluded with the company, including some for deep-draft submarines.

Consequently we have a singular interest in continuity of restoration measures to the channel in order that safe navigation to a depth of 30 feet is assured from the Ingalls Shipbuilding Corp. to the Gulf of Mexico.

Sincerely yours,

RALPH E. WILSON,
Deputy Chief of Naval Operations
(Logistics).

DEPARTMENT OF THE NAVY,
BUREAU OF SHIPS,
Washington, D.C., April 29, 1959.

Mr. MONRO B. LANIER,
Ingalls Shipbuilding Corp.,
Pascagoula, Miss.

DEAR MR. LANIER: This letter is to provide information you requested pertaining to depths of the channel from your yard to the open sea.

In order to permit the Navy to conduct builders' and acceptance trials on four nuclear-powered submarines of the 588 and 593 class now under construction at your shipyard, the channel from your yard via Horn Island Pass to the Gulf of Mexico must have a minimum depth of 28 feet below mean low water. For complete safety of operations this depth should be 30 feet.

Sincerely yours,

A. G. MUMMA,
Rear Admiral, U.S. Navy,
Chief of Bureau.

Further, I call attention to the fact that the Assistant Secretary of the

Army, the Honorable Dewey Short, on September 3, 1959, wrote the Honorable Clarence Cannon, Chairman of the Full Committee on Appropriations, a letter urging the inclusion of this item in the new appropriations bill which we are today considering. The pertinent part of that letter follows:

1. Pascagoula Harbor, Miss.: Completion of this navigation project is necessary in order that nuclear submarines currently under construction at Pascagoula may have safe passage to undergo sea trials and to join the fleet. Funds must be available soon so that the dredging can be completed in time for sea trials that are now scheduled to take place in fiscal year 1960. The proposed amount for this project is $1,242,000.

Significantly, Secretary Short concluded the letter with this statement:

I am authorized by the Director of the Bureau of the Budget to state that such action would have the approval of the Bureau of the Budget.

Mr. Chairman, in these last days of the session, when nerves are frazzled and tempers are short, permit me to say that in spite of my intense interest in this project, which means so much to the economy of my section as well as to the defense of the country, I harbor no ill will toward anyone nor do I point the finger of criticism at anyone. While every person in official capacity, including Members of Congress, is agreed that this is a prime project and must be completed expeditiously, I recognize the formalities, and the so-called redtape that is encountered in these matters. I have great respect for the President's desire for a balanced budget. In fact, I have cooperated as fully as I could, not only this year, but in the years gone by, to that end. As I pointed out before, the administration recognizes the necessity for urgent action on this project. And, I can safely say that it is in favor of immediate action. We have all been caught here in the maze of governmental procedure.

Therefore, while this bill including this project will be passed by an overwhelming vote here today, I can only express the hope that this project will not encounter any further delays along the route which it must travel through the other body and Presidential action.

Mr. CANNON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1960, for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, and for other purposes, namely.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Strike out all after the enacting clause and insert the following:

"TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

"Cemeterial expenses

"Salaries and Expenses

"For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; $9,194,000: *Provided,* That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further,* That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitations may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further,* That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services exclusively for the purposes of this appropriation.

"Rivers and harbors and flood control

"The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

"General Investigations

"For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, preliminary examinations, surveys and studies (including cooperative beach erosion studies as authorized in Public Law Numbered 520, Seventy-first Congress, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, to remain available until expended, $10,750,000: *Provided,* That $50,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

"Construction, General

"For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); and not to exceed $1,200,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, $642,023,000: *Provided,* That no part of this appropriation shall be used for projects not authorized by law or which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further,* That none of the funds appropriated for 'Construction, General', in this Act shall be used on the project 'Missouri River, Kansas City to mouth', for any purpose other than bank stabilization work: *Provided further,* That $500,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

"Operation and Maintenance, General

"For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; and not to exceed $1,750,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; to remain available until expended, $117,882,000.

"General Expenses

"For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors, the Beach Erosion Board, and the California Debris Commission; administration of laws pertaining to preservation of navigable waters; commercial statistics; and miscellaneous investigations; $12,640,000.

"Flood Control, Mississippi River and Tributaries

"For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), to remain available until expended, $70,289,500.

"United States Section, Saint Lawrence River Joint Board of Engineers

"For necessary expenses of the United States section of the Saint Lawrence River Joint Board of Engineers, established by Executive Order 10500, dated November 4, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per day for individuals; $40,000: *Provided,* That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the Saint Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity.

"Administrative provisions

"Appropriations in this title shall be available for uniforms, or allowances therefor, as

authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed one hundred and seventy-six for replacement only) and hire of passenger motor vehicles.

"TITLE II—DEPARTMENT OF THE INTERIOR

"Bureau of Reclamation

"For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

"General Investigations

"For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans; formulating plans and preparing designs and specifications for authorized Federal reclamation projects or parts thereof prior to initial allocation of appropriations for construction of such projects or parts; and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects; to remain available until expended, $4,788,710, of which $3,838,710 shall be derived from the reclamation fund and $500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That $200,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

"Construction and Rehabilitation

"For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, $132,937,739, of which $95,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer: *Provided further*, That not to exceed $25,000 of the funds appropriated in this paragraph shall be available for the construction of safety and public-use facilities at the Alamogordo Dam (Carlsbad project), New Mexico, which shall be nonreimbursable and nonreturnable.

"Operation and Maintenance

"For operation and maintenance of reclamation projects or parts thereof and of other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, $29,131,000, of which $23,664,000 shall be derived from the reclamation fund and $2,030,000 shall be derived from the Colorado River dam fund: *Provided*, That funds advanced for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and the unexpended balances of such advances shall be credited to the appropriation for the next succeeding fiscal year.

"Loan Program

"For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a–421d), and August 6, 1956 (43 U.S.C. 422a–422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, $220,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

"General Administrative Expenses

"For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, $4,400,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377); *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

"Upper Colorado River Basin Fund

"For payment to the 'Upper Colorado River Basin fund', authorized by section 5 of the Act of April 11, 1956 (Public Law 485), $74,015,000; to remain available until expended.

"Special Funds

"Sums herein referred to as being derived from the reclamation fund, the Colorado River dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads 'Operation and Maintenance' and 'General Administrative Expenses' shall revert and be credited to the special fund from which derived.

"Administrative Provisions

"Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed eighty-four passenger motor vehicles for replacement only, payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head 'Operation and Maintenance Administration', Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461–467): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except 'General Administrative Expenses' and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head 'General Investigations'.

"Allotments to the Missouri River Basin project from the appropriation under the head 'Construction and Rehabilitation' shall be available additionally for said project for those functions of the Bureau of Reclamation provided for under the head 'General Investigations' (but this authorization shall not preclude use of the appropriation under said head within that area), and for the continuation of investigations by agencies of the Department on a general plan for the development of the Missouri River Basin. Such allotments may be expended through or in cooperation with State and other Federal agencies, and advances to such agencies are hereby authorized.

"Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

"No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided*, That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

"No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefit of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

"Not to exceed $225,000 may be expended from the appropriation 'Construction and rehabilitation' for work by force account on any one project or Missouri Basin unit and then only when such work is unsuitable for contract or no acceptable bid has been received and, other than otherwise provided in this paragraph or as may be necessary to meet local emergencies, not to exceed 12 per centum of the construction allotment for any project from the appropriation 'Construction and rehabilitation' contained in this Act shall be available for construction work by force account.

"Bonneville Power Administration

"Construction

"For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, $22,000,000, to remain available until expended.

"Operation and Maintenance

"For necessary expenses of operation and maintenance of the Bonneville transmission

system and of marketing electric power and energy, $10,250,000.

"Administrative Provisions

"Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law, including purchase of one aircraft for replacement only. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

"Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis.

"Southeastern Power Administration

"Operation and Maintenance

"For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $735,000.

"Southwestern Power Administration

"Construction

"For construction and acquisition of transmission lines, substations, and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $880,000, to remain available until expended.

"Operation and Maintenance

"For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, including purchase of not to exceed four passenger motor vehicles for replacement only $1,150,000.

"Continuing Fund

"Not to exceed $5,000,000 shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities.

"General provisions—Department of the Interior

"SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

"SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

"SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided*, That reimbursements for cost of supplies, materials, and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

"SEC. 204. No part of any funds made available by this Act to the Southwestern Power Administration may be made available to any other agency, bureau, or office for any purposes other than for services rendered pursuant to law to the Southwestern Power Administration.

"TITLE III—INDEPENDENT OFFICES

"Tennessee Valley Authority

"Payment to Tennessee Valley Authority Fund

"For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed two hundred for replacement only) and hire of passenger motor vehicles, $15,286,000, to remain available until expended.

"This Act may be cited as the 'Public Works Appropriation Act, 1960.'"

Mr. TABER (interrupting the reading). Mr. Chairman, in order to save time I will say that this amendment is the same as that which was reported by the subcommittee to the full Committee on Appropriations. I think, with that, we could agree to suspend with further reading, and I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I want to get two or three things straightened out in connection with this bill before we get in too far. In this block of projects in dispute there are about 25 out of the 60 projects involved that have a benefit-cost ratio, if it is figured on an honest basis, that would not be as good as 1 to 1. In other words, all of these projects have a benefit-cost ratio submitted to the committee based upon a carrying charge of 2½ percent whereas we know that the carrying charge is wellnigh 4 percent on an average, and it is getting higher.

The projects that are in that block of projects that the President vetoed are in that category. There are so many of them that are ragged edged, so many of them that do not have a really good, honest benefit-cost ratio, that we ought not to get into them and we ought not to approve them. Some of them are projects that are not authorized at all. That figure would run to $75 million or $100 million. Of those projects that come to $800 million that were the cause of the President's veto, here is one with an ultimate cost of $50 million, with a benefit-cost ratio, the way the Engineers figure it, of 1.1 to 1.

Here is one—$50 million is the ultimate cost—with a benefit-cost ratio, the way the Engineers figure it out, of 1.1 to 1. But, actually, it would be less than even up.

Then there is another one. You can go down the list and you strike $113 million on another project.

Mr. CLEM MILLER. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. CLEM MILLER. Would the gentleman insert in the RECORD a list of these 20 and some odd projects which have this low cost-benefit ratio so that we can inspect the list?

Mr. TABER. Yes; I will do so.

The table follows:

Project	Benefit-cost ratio	Total estimated cost	Appropriation to date	Amount in H.R. 7509
Arkansas: Beaver	1.1	$56,100,000	$1,201,000	$1,500,000
Actual	.5			
Alaska: Dillingham	1.3	412,000	6,000	406,000
Actual	.6			
Mad River Reservoir	1.2	5,970,000	18,000	
Actual	.7			
Connecticut				
Florida:				
Apalachicola Bay	(1)	39,100		39,100
George Island	(1)	43,000		43,000
Intracoastal Waterway	(1)	6,860,000	370,000	600,000
Iowa	1.5	71,000,000	1,717,000	1,113,300
Actual	.9			
Kansas: Wilson Reservoir	1.2	18,100,000	259,000	500,000
Actual	.8			
Louisiana	(1)	1,420,000		1,420,000
Massachusetts: Westville Reservoir	1.1	2,450,000	328,000	
Actual	.7			

[1] Not available.

Mr. TABER. There are 13 more without a good benefit cost. I will supply a new table.

Mr. CLEM MILLER. I thank the gentleman.

Mr. TABER. There are a great number of other projects. There is a project for $113 million, that I mentioned a minute ago. There is another of $17 million and another one of $17 million, the two of them running right together. There are a lot of others besides that.

We ought to take care of, as far as we can, the people of the United States. And we do take of them, but we are getting into a situation where we do not seem to be able to take first things first at all. We do not seem to be able to realize it is absolutely necessary that we conserve our resources and get to the point where the tax receipts will come to enough to take care of the governmental expenses. That is why I am very leary of any appropriations that are not abso-

lutely necessary. That is why I believe we ought not to start off on a list of projects where we have to dribble along and dribble along and handle the thing in such a way that it will cost three and four times what it ought to, and to allow the engineers to make fools of the country as they have so many times in days gone by. I do not believe we ought to be too liberal with any of these things. I do not believe we ought to be too liberal with the foreign relief. I do not believe we ought to be too liberal with any of these projects for public buildings in our own territory or for these flood control projects which are not in such shape that they can be handled, and where the Engineers themselves do not know what the actual cost is going to be and where they do not have the thing far enough along or well enough organized so that they can give us an intelligent statement on them when they come up to see us.

Mr. MOORHEAD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MOORHEAD. What is the effect of the amendment on the Allegheny River Reservoir, Kinzua, Pa., where there were funds appropriated in past years and also this year?

Mr. TABER. The item for the Kinzua Reservoir is not in the amendment that I have offered. But that is one of these projects where it is absolutely impossible for them to proceed with anything beyond planning intelligently. They cannot do anything else but that and they can do that with what funds have been appropriated in years gone by. I would like to see this amendment adopted because it will end this picture. If we could do that we would have the thing in such shape that the President would be willing to sign the bill and I do not believe that we ought to present a bill to the President three or four times for his consideration.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EDMONDSON. I thank the gentleman. Did I understand the able gentleman from New York a moment ago to state that one of the unbudgeted items last year in the chairman's list was not covered by this amendment, an unbudgeted item?

Mr. TABER. I did not say that.

Mr. EDMONDSON. The gentleman, as I understand, is dealing with these 67 unbudgeted new starts; is that correct?

Mr. TABER. That is correct.

Mr. EDMONDSON. I thank the gentleman.

Mr. TABER. I have never said anything different at all.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WEAVER. That was the point I wanted to make so everyone would know clearly what he was voting on and just what impact the gentleman's amendment would have.

Mr. TABER. That is it.

I do wish the Congress would get to the point where we had a different method of handling these projects other than this helter-skelter procedure that spreads them out all over the lot and where there is not enough money spent at any one place in any one quarter so that they can ever get anything done within a reasonable time and at a reasonable cost. That is the reason these things cost so much, because they are scattered all over the lot. I do not think we meet our responsibility to the people when we approach this thing from that viewpoint, and for that reason I offered this amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. GAVIN. Mr. Chairman, I object. The two previous speakers not only had 5 minutes but had an additional 5 minutes.

Mr. CANNON. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WHITTEN. Mr. Chairman, while I was the sponsor of the pending bill, representing however, except for the 2½ percent reduction, the composite views of the House and Senate, I had only a few minutes in general debate due to the great demand for time; so I have taken this time to further explain my reasoning in offering this bill in the Appropriations Committee.

In the first place, if you do not pass this bill you leave it up to the Bureau of the Budget under any administration to determine all new projects, leaving it open to a handful of men to be purely political.

I have had no unhappy personal experiences with the present Budget Bureau under the Republican administration, though I was not proud of Dixon-Yates, because I have had no problems from my district before it; but I have had experience in prior years as an individual Congressman going down to the Bureau of the Budget trying to get them to do anything. I live adjacent to the Mississippi Delta and frequently have had to turn to the members of this subcommittee for what I knew was vital to that area, and yes, to the Nation.

I approached this problem in a fair way. After the President's veto, I made a motion that our committee invite the Director of the Bureau of the Budget and the Secretary of the Interior before our committee to see if they would promise us to be objective in next year's budget. It is generally accepted—I do not have any individual proof of this, but it is generally accepted that prior to this veto both of those gentlemen had a suite in the Congressional Hotel; and it was mighty easy for my Republican friends to see them under the circumstances where they were seeking your vote. But have you ever tried to see the Bureau of the Budget on your own? If you could have seen them very effectively these projects would have had Budget approval. Now, if it should prove to be as it is rumored that there are commitments that the Bureau of the Budget will include these projects in the next budget, then this talk about keeping them out of the bill because of future cost is purely political. I repeat again I tried to get these gentlemen before us to find out their attitude and to ask them if they would deal with this matter objectively. I was not successful.

In this same connection, I believe it was about three years ago, that this same Bureau of the Budget approved new initial starts in several Republican districts where there was a close contest and refused approval elsewhere. It did not work, but those gentleman tried.

Let me tell you what this Bureau of the Budget did when I had several matters up with that most estimable gentleman, the Secretary of Agriculture, Mr. Benson. A few years ago Secretary Benson, having opposed almost everything that was done to help agriculture, recommended—and, listen—the Bureau of the Budget approved $10 million in retroactive crop insurance out here trying to defeat a Maryland Congressman, a fine Republican whom I personally like. It did not work. At that time I told them you could take half that amount $5 million and elect a Republican in my district.

I am saying that we have an obligation to look after our country, and I am saying that, after study by the Corps of Engineers, a part of the Executive Department, it is up to the Congress after hours, days, and months of study and the testimony of 1,150 witnesses, to recommend the initiation of development in sections of this Nation. That is what the bill before us would do.

As chairman of the Agricultural Appropriation Subcommittee, I have had to recommend to you hundreds of millions of dollars in direct relief trying to alleviate the suffering and damage that had been done because we were not farsighted enough to spend in our own country first. It is an odd commentary that I make. I was standing here and figuring that if we had merely diverted 2 percent of what a majority of the Congress and the President have spent in foreign countries in the last 10 years, these projects would all be completed, because it figures $800 million.

Involved here is whether the Congress grant to the Bureau of the Budget, under any President, under any administration, the privilege of playing politics with the right to designate where you are going to start taking care of this country. I read the Washington papers regularly, and if you will look at them, we have the unhappy situation where the American press identifies everything that is not for the Potomac River, the District of Columbia and adjacent area, or for a foreign country, as pork in the

lap of some Congressman; and they indicate rotten "pork" at that. They are wrong, and that attitude is one of the great dangers this Nation faces today.

I have not any projects in this bill which are in my district, though I have some adjacent to me. I am not a disappointed Member, I did not ask for any for my district. However, when we spend a lot of time and money in harnessing our rivers, in trying to prevent floods, in trying to prevent droughts; when we try to save the millions of dollars we spend every year trying to alleviate suffering because we have been shortsighted, for the American press to say unless you spend it in the District of Columbia, adjacent thereto, or in foreign countries, it is pork for some Congressman, it is a sad day, yes, a dangerous day.

In 1956 I was in Russia, and may I say to you that Russia does not compare in overall strength with our Nation today, but they have the raw materials, they have this great country for development. As you go into the public parks of any city in Russia you will see on a large board, big as one end of this chamber, a big relief map, if you please, showing the rivers and streams, showing the 5-year plan that they are carrying out to strengthen Russia. Over here we are giving bonuses, billions in foreign aid, we are raising mileage payments, salaries, providing insurance, we are raising old-age pensions, the money for which is dependent on the land, the rivers, the natural resources of the United States of America. No, we take care of everybody in the world, with our money, then after we are committed to that we come in here and say: We have not enough money left to take care of the very foundation on which all of these other things are built, we must let the development, the protection from flood and drought in the United States go by the board for we cannot afford it.

I am not on this subcommittee, I will have nothing to do with it next year, but may I say something to the gentlemen on the Republican side—and this is no threat, but merely looking at the practical aspects of the situation. If a Member were to vote to delete the project deemed necessary to his area now, I could not help but believe he recognized it is not sound and that he would not want it next year, whatever the Bureau of the Budget may recommend.

When you go home and say: "I voted against this project because in Washington they wrote it up as pork barrel, in Washington they are trying to elect our distinguished minority leader Vice President; we wanted to strengthen the hand of the Bureau of the Budget." I do not believe you can explain to those folks who were badly in need of this work. You might get the minority leader to come out to speak, and he is a powerful speaker. You might get my good friend from New York to come out, too. One of the sad things I have had to live through is to see my good friend from New York opposing such projects in foreign aid. This year he opposed my efforts to even investigate the waste in the foreign aid program. To see him now opposing this American investment in our own country at the same time he opposes every effort to cut down foreign aid, is truly saddening.

I remember a few years ago when he was out to cut conservation of our soil in the Agricultural appropriation bill. At that time one of his Republican colleagues said to me: "Do not pay any attention to our friend. I know you love him as I do, but he honestly thinks all of the country west of Baltimore is Indian country, and he thinks you have to have a passport to go out there."

I have seen him try to break this bill down during the years. I am not saying I know, but I will tell you what I think; if the Republican Bureau of the Budget puts these projects in next year the Democrats will cut them out; when the Democrats put their projects in the President will cut them out, these areas of the country, represented by both sides get cut out. And my good friend from New York and a few on my side, will win both ways in reducing efforts at developing and protecting our own country, the supporting base of our financial system.

And the plant upon which we must depend if we are ever able to work out the money debt we have imposed on ourselves in the other programs.

My friends if we leave our children and our children's children, a fertile land, with our harbors improved, with our rivers harnessed, against flood and drought, with all our resources intact, they will make it fine, for they could set up a new financial system.

On the other hand if we paid off every nickel we owe, if we did it by letting our country go to pot, in future years this Nation could be like China and India, with little on which to build. We are wasting far too much money, but money spent on our country is not waste, it is merely common sense.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, several years ago the phrase "no new starts" was coined. That was back in 1945 and 1946. New starts were objected to because we were in World War II and then we were in the Korean war. We had a shortage of manpower, we had a shortage of labor, we had a shortage of all sorts of materials at that time. So it was practical and realistic that we not undertake any new starts. But, they have been carrying the no-new-start slogan right along up to 1959. It is about time we dismissed the thought of no new starts, because if we can make new starts all over the world, I cannot see any reason why we should not make a few new starts in this country of ours.

Now, it must be recalled that two previous authorization bills were vetoed, so that, I would say, set back the new starts 4 or 5 years. We had no new starts. So, I think it is about time that we gave some consideration to the situation existing in our own country.

Now, my very good and able friend, the gentleman from New York [Mr. TABER], referred to a project in which I am interested, as an $113 million item. I think they put that in the report just to get the amount up to the $800 million referred to. My project was not a new start. This project was not an unbudgeted project. But, to show you what they will resort to, the project that I am talking about was authorized in three acts—1936, 1938, and 1941. The project was authorized after the devastating floods in the Allegheny Valley, at Pittsburgh and western Pennsylvania, at a cost of $736 million property damage and 33 lives. Now, to show you that they do not know what they are talking about on this project—and if they are no more accurate with other projects than they are with this project this amendment is not in order—let me say this: Including fiscal year 1956, $241,000 was spent on planning for this project, and in 1956, for fiscal 1957, Congress appropriated $384,000 to complete the project report. Thus, $625,000 has been spent on the plans and specifications for the project that they are now trying to take out as a new start. So, it becomes evident they do not know what they are talking about. The project was under study for many years. No objections were voiced, at least, not to my knowledge, until the first appropriation of $1 million was made for fiscal 1958 for actual construction of the project. Then an additional $1 million for construction was appropriated for fiscal 1959 for the project, and the project was undertaken when litigation broke out with the Indians. A restraint was written into the fiscal 1959 report restricting the use of the money until such time as the Supreme Court acted. The Supreme Court acted on June 15, and they should have resumed the project, the construction, but no, an effort was made to reallocate the money appropriated and take it away for other projects. I am merely trying to show you that the people who are talking about items that ought to be deleted, do not fully understand, or do not want to understand, and how wrong they are in making an attempt to eliminate a project that was actually under construction. Then an attempt was made to require additional study of the project. They tried to study the project to death. Last year they spent another $75,000 for additional studies on five alternate plans. Already $700,000 has been spent in studying all phases and reports on the project. It is now and has been under construction; the moneys are appropriated. There is no reason why the U.S. engineers cannot proceed, but now an attempt is made to try to list it as an unbudgeted item and to delete it.

Now, if the rest of the items that are to be deleted are in the same category as the one I am talking about, certainly this amendment that is being offered here today should be voted down. To make a comparison I made inquiry concerning mutual security legislation and the various types of projects being considered. I also talked with Representative JENSEN and, if I am wrong, my very good and able friend, the gentleman from Iowa [Mr. JENSEN] can correct me. He said there was about $320 million for projects in the mutual security bill. Here is a list of some items in mutual security; and bear with me, because I think this is important. Here are just some of the

projects in the mutual security appropriation bill to be considered for some 12 countries:

Irrigation and drainage systems; improvement of water supplies; land and water resources development; fisheries development; hydroelectric power development; power transmission and distribution; water resources survey; harbor and shipping development; municipal water supply; flood control; land and water use improvement; highway and bridge construction; port and harbor improvement; irrigation development; improvement of rivers and harbors; water resources planning and development; irrigation services; power facilities; improvement of irrigation and water control; expansion of rural-urban water supply; rehabilitation of inland waterways.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. CORBETT. For the purpose of clarity and emphasis, I should like to ask the gentleman if he is telling the House that carryovers from previous appropriations that were authorized, and for which money was appropriated, and the bill signed by the President, would be wiped out by this amendment?

Mr. GAVIN. The amendment cites a list of projects and the project to which I refer and am interested in is on the list, so I presume that it would be taken out.

Mr. CORBETT. Was this provision to eliminate these carryover funds the result of subcommittee or full committee action or was it just written into the report?

Mr. GAVIN. I think my good friend the gentleman from Pennsylvania [Mr. FENTON] is more familiar with that, also my good friend the gentleman from Michigan [Mr. RABAUT], who when they found this language written into the report, to reprogram the money, vigorously protested to the committee. The first copy of this report—or committee print—was called to their attention, both members of the Public Works subcommittee, who—and if I am wrong and either gentleman is here—I see Mr. FENTON is here—I wish to be corrected—immediately protested this language in the report. It had not been considered by the subcommittee, nor was any action taken on it by the subcommittee. It had just been written into the report.

They protested the language and if I remember correctly, and were assured that it would be changed. When the committee report was issued, no change had been made. I called it to the attention of Mr. RABAUT who stated, "You must be mistaken," and I thought possibly I might be. However, after I investigated I found that the language had been written in and the language in the second report was just the same as the language in the first report. Certain persons were determined to take this project out and I was determined to keep it in.

Mr. CORBETT. The gentleman is saying that they are altering the law, the appropriation, by the simple action of somebody writing the report?

Mr. GAVIN. That is right.. Then when the bill came to the floor of the House, an amendment was offered to restore the $1,400,000 by Representative FENTON, which was accepted and then the gentleman from New York insisted the amendment be amended so another study could be made. This last amendment was legislation on an appropriation bill.

The Senate committee concurred in restoring the $1,400,000 but deleted the language calling for another study. That is right. We want to be fair in these matters. But after $700,000 had been spent on the project report and after the same committee appropriated $2 million for construction, they still wanted to make another study and write the project out. The gentleman from Missouri [Mr. CANNON] inserted a list of items to be deleted in the record of August 31 and right opposite this project it says "No. 2," and that refers to "Resumption of Construction." And now it is said it is an unbudgeted item. The gentleman from New York stated here today that these are unbudgeted items, that they are new starts, that they are this, that, and the other thing. Nobody knows what they are. So, if you are on the list, let me tell you right now you are out—at least, if you support this amendment offered by the gentleman from New York [Mr. TABER].

I just want to call attention to the fact that I am concerned about new starts. We are making new starts all over the world. The flood of January 21 to 25 in the Allegheny Valley this year in the western part of Pennsylvania cost $18 million. And in the Pittsburgh district $28 million and thousands of people were made homeless. This project is the key to the overall flood protection program of the Allegheny, Upper Ohio, Beaver, and Monongahela River basins. It will harness the water for useful purposes for several million people and prevent the devastating and destructive floods which are periodically visited on the Allegheny and Ohio River valleys. I appeal to you as I have never before appealed to you to reject this amendment.

Mr. HOFFMAN of Michigan. What the gentleman is getting is a dirty deal.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GAVIN] has expired.

The Chair recognizes the gentleman Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I would like to think that this is a nonpartisan bill. We can approach it as our constituents back home would like to have us approach it.

I see the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK], on the floor, and also the beloved ranking minority member of the Committee on Appropriations, the gentleman from New York [Mr. TABER].

When we were considering the mutual security appropriation bill, a Republican Member, my good friend, the gentleman from Wyoming [Mr. THOMSON], offered an amendment providing that all projects on foreign countries would have to meet the same acid test as projects here in America, that these projects in foreign countries would have to qualify under the benefit-cost ratio that we have had in this country for so long.

This year the foreign aid bill will finance over 1,450 projects. That is in the RECORD. None of those projects has ever had adequate planning, nor has a benefit-cost ratio ever been approved for a single one of those projects, other than what some political bureaucrat saying with respect to it, "This will help us politically, it may do the country some good."

We hope when we go to conference on the foreign aid bill, that we may be able to hold the Thomson amendment in the bill. I believe inasmuch as we are practicing economy, that if the distinguished gentlemen who are so close to the Director of the Budget and our distinguished President would get the word downtown and also get the word to their friends of the other body who will be on the conference, to hold this amendment in the bill, and make all of the 1,450 foreign projects meet the same criteria that we have to meet here in America, we will, in my opinion, be able to save $700 million because, as I stated earlier, there is over $8 billion in that program. Most of that money, if it is not for personnel, which incidentally amounts to about 43,800 jobs, it goes to one of the 1,450 projects.

I hope you will get the word downtown and to the conferees on the other side to go along with the House conferees. If you do we will save some real money.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. GAVIN. Mr. Chairman, will the gentleman yield for a short observation?

Mr. Chairman, I just want to call the attention of the House in reference to my previous remarks that the gentleman from Pennsylvania [Mr. FENTON] and the gentleman from Michigan [Mr. RABAUT] wholeheartedly supported my project and did everything that was humanly possible to get the thing changed.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming to the amendment offered by Mr. TABER: Page 8, line 12 strike "$4,788,710", and insert in lieu thereof "$6,703,710, of which $1,915,000 shall be used for advance planning, to include collection of design data, designs and specifications, foundation explorations and associated activities on the Greater Wenatchee Division, Cedar Bluff, East Bench, Red Willow Dam, Smith Fork, Hammong and Seedskadee projects, and".

Mr. THOMSON of Wyoming. Mr. Chairman, I do not expect this amendment to carry because I do not think that the principal amendment, or any other amendments offered today, will carry. I know that there is a general understanding that all amendments will be voted down, whether they propose to take from or add to the bill.

In some respects, that is an unfortunate situation. It precludes amendments which I am satisfied would carry if considered on their merits.

This I will discuss later. But, if the pending substitute amendment is to be seriously considered, then it would be most necessary that my amendment to it be adopted so that in fairness, the unbudgeted projects for which construction money was provided in the original bill would be treated at least as favorably as the unbudgeted projects which would remain and for which advance planning and general investigation funds were provided in the vetoed bill. For a more detailed analysis of this and other items which I will mention, I respectfully refer the membership to my extensive statement made on last Friday, September 4, 1959, beginning at page 18176 of the RECORD.

I want to repeat again that I do not blame the President for this veto. At the time it was being considered, he was occupied with most important questions of foreign policy. As a matter of fact, when the veto was delivered, he was out of the country and had been for some time.

This did not permit those who really knew the true situation to consult with him or for him to consult with them. The President was denied the advice of the gentleman from Iowa [Mr. JENSEN], who has just spoken as ranking Republican member of the subcommittee which considered the bill, is best informed, and has time and again proved that he is really an economy Congressman, with his actions resulting in savings of billions of dollars of the taxpayers' money.

The veto of the bill is unfortunate and ill-considered, because it is based on wrong information. The real blame must rest on the shoulders of those who gave the President this wrong basic information, as reflected by his veto message.

The substitute amendment offered by the gentleman from New York, which is identical with the proposal made by the chairman of the committee in interpreting the veto message, points out just how wrong this information was. The effect of this substitute amendment would be to knock out all of the unbudgeted projects for which construction money was provided in the vetoed bill, but would leave in the general investigation and advance planning money for unbudgeted projects. The effect of this is not to cut spending in the long run, as the President stated his aim to be, and therefore there is no true economy in his veto.

Everyone familiar with the program knows that the real place that you make new starts is in general investigations and particularly in advance planning. The advance planning stages is when the people move in and set up their camps and prepare designs and specifications, and they are then ready to go ahead with the construction, which is the orderly next step. There is no economy, at that point, in making them move out and stay away a couple of years and then come back. We have already found, with regard to the military that we spend a good part of our money paying for people to travel around. The same would be true here, and that is no economy.

If we really wanted to make cuts, the items to be eliminated should be the general investigation and advance planning items. All the members of the Appropriations subcommittee have agreed in our committee meetings that that is the fact.

If this substitute were adopted, there would be left in the bill, purportedly at the President's request, 32 unbudgeted advance planning projects with an eventual cost of $450 million, as per the estimate of the Army Corps of Engineers. Furthermore, there would be 89 unbudgeted projects for general investigations left in the bill, at a total cost of somewhere between $1 and $2 billion. That is why I say it is not true economy. There are your real new starts, and those would be left in the bill, based upon the misinformation given to the President.

There is absolutely no justification for accelerating advance planning on projects, if we cannot afford to go ahead on those projects which we have on hand and which are ready for construction money. That would be throwing the taxpayers' money down the drain.

But at the least, we should in fairness treat the projects which are ready for construction money on an equal basis. The effect of my amendment would be to add $1,915,000 to the reclamation appropriation for advance planning on these projects. A similar amendment, to add $572,000 to the Corps of Engineers appropriation, would be required.

The veto message is further based upon misinformation because it charges a "tremendous expansion in government expenditures in just this one area," and infers that there has been a threefold increase in expenditures, which leads us to deficit spending and our fiscal problems of today. With regard to reclamation, which is of primary interest in the West as a means of developing our vital water resources, exactly the reverse is true. There has been approximately a one-third reduction in appropriations, as compared to the 1950 level. In 1949, there was appropriated for fiscal year 1950 $335.6 million, as compared to an appropriation for reclamation construction of $212.1 million in the vetoed bill, a drop of over $120 million, or more than 33⅓ percent. The amount appropriated for the total reclamation program in 1949 was $358.9 million, as compared to $256.7 million in the vetoed bill, or a total drop of over $100 million, representing almost a 33⅓ percent reduction.

I again point out to my Democrat friends that they should not try to make a political issue out of this, for it is one on which they would lose. The appropriations had in fact dropped to $177.7 million for construction and $206.4 million for total reclamation in 1952, the last year of the Truman administration. We should work to continue to meet this problem, just as we are doing on this bill.

The veto is further based upon misinformation because the message refers to 67 unbudgeted projects, with an eventual cost of over $800 million. This is misleading information. It includes six small loan projects for which no future appropriations are required. It includes the Burns Creek project in Idaho, which is unauthorized and therefore could not possibly be constructed. It includes the Trinity power project, which is still in this substitute as offered by the gentleman from New York.

Therefore, instead of 15 new starts with a total cost of over $200 million in future years, as inferred by the veto message, we have 7 new starts with a total cost of about $80 million in future years, to complete them. This would be spread out over a 10-year construction period, and could not possibly have the adverse effect upon future budgets as charged.

Similar adjustments must be made for the Corps of Engineers. Also, there must be offset the three projects which were recommended in the budget and on which construction was stopped. When these adjustments are made, we end up with less than 50 projects, with a total cost of about $500 million.

There are about 40 projects being completed in the coming fiscal year, with approximately the same total estimated cost. Therefore, the bill would not be expanding the construction appropriations in years ahead.

As I mentioned, I am satisfied that no amendments to this bill, either to put anything in or to take anything out, will be adopted. This is unfortunate, because there are two amendments which I had intended to offer, and which I believe would have been adopted if that decision had not been made and they could have been considered on their merits. Both of these amendments would have been to eliminate projects in the reclamation area which would have been true economy, and from the people with whom I have talked, I am satisfied that they could have carried, had they been considered on their merits.

At this point, I would like to point out that the true economy and savings to the taxpayers in the reclamation field have been accomplished principally by people like myself from reclamation areas, who have successfully fought to eliminate bad projects and to keep the rate of spending at a reasonable level. I would further point out to the executive that I will mention these projects because I think they point the way to how this bill can truly be brought in line with the President's objectives.

The first amendment which I would have offered would have been to reduce the appropriation by $487,500, because of the Burns Creek project situation. This is a bad project which should never be constructed. It is strictly a power project that would produce power at a cost of over 5.4 mills per kilowatt-hour, to be sold at 3.67 mills per kilowatt-hour, and would take millions of dollars from the true reclamation program. Actually, I do not think that it is particularly important whether this amendment is offered or not, except to bring the dollar figures into line. As the bill is presented, I do not believe that the project is included. The "Construction and Rehabilitation" reclamation appropriation on page 8 is "for construction and rehabilitation of authorized reclamation projects." This project is not authorized, and therefore is not included in the appropriation.

I would, though, point out to the Executive, that if they really want to accomplish some savings for the taxpayer,

then this project should receive their attention. Ironically enough, I was testifying before the House Interior Committee in opposition to this project which the Interior Department, with the approval of the Bureau of the Budget, was supporting, on the very day that the veto message was received. The House Interior Committee has passed the bill over for continuation of hearings next year, and I would suggest to the Executive that it might well review its position if it really wants to save the reclamation fund and the taxpayers some money.

The other amendment which, because of the situation prevailing, I will not offer is one to eliminate $2,354,625 for the Trinity power project. Here again, the President was given misinformation as to the importance of providing funds for the Trinity power facilities this year. The private utility company has stated in writing to the Secretary of the Interior that it will continue with the preparation of final designs and specifications, of required major equipment and engineering studies in collaboration with the Bureau of Reclamation engineers, and will make all of these available without charge to the Bureau. This is what the funds provided in this bill are designed to do. Mr. Dominy, the Commissioner of Reclamation, in response to a question asked by the chairman of the Senate Appropriations Committee, stated, "We could take over their designs without a measurable delay in completing this project." Here is a chance to really save the taxpayers some money. Besides that, what has happened on this bill clearly points up the need for construction of the Trinity power facilities as a partnership project.

The President is in error about the necessity for constructing these power facilities, because the effect of this would be to produce power at a cost of 8.9 mills to 9.6 mills per kilowatt-hour, which would be sold to SMUD—Sacramento Municipal Utility District—at a rate of 4.5 mills, or at a big loss. There is no point in hurrying to construct something that is going to operate at a loss.

Furthermore, over a period of 50 years this would result in a loss to the reclamation fund of $175 million. I would say to my friends who have felt they must support this project for other reasons that his veto brings quite sharply to our attention that, unless these funds are made available to reclamation, we are going to destroy the reclamation program. Furthermore, this project would result in the loss of Federal taxes over the 50-year period of $83 million, or a total loss to the taxpayers of the Nation of over $318 million.

If the parliamentary situation prevailing in committee had permitted my offering this amendment to eliminate these funds, I am satisfied that it would have carried. The Executive should not interpret the fact that it is left in this bill as a mandate to go ahead with the all-federal construction of the Trinity power project. If an amendment to eliminate the funds could be considered here on its merits, from the check that I have made, I believe that it would carry. Again, I respectfully suggest to the President that here is a real opportunity to save over $318 million for the reclamation fund and the taxpayers of the Nation, if he allows the private utility company to go ahead with preconstruction planning, and insists upon this being constructed as a partnership project.

At this point, I would like to point out something to those people on both sides of the aisle who are interested in the reclamation program. I think the veto of the public works appropriation bill establishes beyond a doubt the warning which I and several others have been sounding. If we want a continuing reclamation program on a sound basis, then the attempt to use it as a vehicle for bringing about all-Federal ownership of all power facilities at any cost must be met head-on and stopped.

The attempt to construct projects like the Burns Creek and the Trinity power project from reclamation funds does two things, both of which it is demonstrated will be a death blow to reclamation. In the first place, it robs the reclamation program of necessary construction funds for true reclamation projects. Furthermore, the reclamation program has been made possible, to a large extent, because of the philosophy of the 1906 amendment to the Reclamation Act which established the principle that when power is produced as an adjunct of a true reclamation project, then the surplus revenues will be used to assist reclamation. The effect of these projects and others like them, which will be coming along in increasing numbers, is to change that principle to say that power revenues will be used to subsidize power instead of to assist reclamation. Those who are truly interested in the future of reclamation must meet this challenge.

I will vote for the committee bill because it is necessary to a continuing sound and orderly water development program. I regret that the situation does not permit making it a better bill. This is true economy, for if we do not provide for the orderly development of our water resources, we will eventually have to have a crash program like the highway program now confronting us, which will end up with extravagance and deficit spending, at the expense of the taxpayers of the Nation.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

The question is on the amendment offered by the gentleman from Wyoming [Mr. THOMSON].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CLEM MILLER.]

Mr. CLEM MILLER. Mr. Chairman, I take this time to speak of fat and pork barrel and to ask some pertinent questions. We hear so much of pork barrel and fat in this bill from the press of the country. From my experience I do not see how we are going to roll a pork barrel past the gentleman from Iowa, the gentleman from Missouri, and the gentleman from New York. This week has been a field day for editorial writers. Everything this week is pork barrel, and it seems to me they ought to get specific. So I address this question to anyone in this Chamber, particularly those who vote against the bill, who voted against overriding: Where is the pork barrel in this bill, or where was it in the previous bills?

I yield the balance of my time to anyone who can answer my question.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. FULTON. I thank the gentleman for yielding for I would like to ask a question. Do I understand in this bill that there are cancellations of previous appropriations, for example, the 1958–1959 appropriations for the project in the district of our good friend the gentleman from Pennsylvania [Mr. GAVIN]? A cutting out of previously authorized appropriations? Is that correct? Can the chairman or the gentleman from New York [Mr. TABER] answer?

Mr. CLEM MILLER. I ask again: Is there anyone here on this floor now who can answer me so we can give something specific to these editorial writers that they may present specific instances instead of these glittering generalities?

Mr. TABER. I say those cases that have such a low benefit-to-cost ratio that there is practically none. That is "pork."

Mr. CLEM MILLER. Can anyone else answer me?

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. GAVIN. You can rest assured if your project is in there you are out.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. ASPINALL. Mr. Chairman, under the statement just made by the ranking member of the great Committee on Appropriations, then there would be no elimination of the new projects from the Bureau of Reclamation, because each one of those projects has a fine benefit-to-cost ratio; so that answer does not go for the Bureau of Reclamation.

Mr. CLEM MILLER. I wish the gentlemen would give me an example of where there is any pork barrel in this bill. I wonder if the gentleman from Iowa can point out an example of where there is any pork barrel in this bill.

Mr. JENSEN. Since the gentleman mentioned "the gentleman from Iowa" I presume he meant me. I want to say I have never, since I have been a Member of this Congress, voted for what I would call a pork barrel bill.

Mr. CLEM MILLER. I thank the gentleman.

Mr. JENSEN. And I renew the challenge I made earlier when I asked if any Member of this House would stand in his place and say that Congressman JENSEN of Iowa has spent the money of the American people recklessly. If so, let him stand in his place and make his statement.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, in answer to my question and questions propounded by the gentleman from

Oklahoma [Mr. EDMONDSON], the ranking minority member of the Appropriations Committee has made it clear that money appropriated by previous Congresses and remaining unexpended for projects—and I refer particularly to the Allegheny River Reservoir project at Kinzua—it will be eliminated as a result of the veto and this proposed amendment.

Mr. Chairman, I consider this to be one of the most outrageous effects of the veto and this amendment. This Congress, and past Congresses, of the United States have appropriated money for the Allegheny River Reservoir. The veto apparently was intended only to affect new moneys, but this amendment affects not only money appropriated by this bill but also moneys appropriated by previous Congresses.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield.

Mr. CORBETT. Again we want to make crystal clear that this particular amendment will eliminate items previously appropriated for according to law beyond the bill which was vetoed. The veto as I understand only eliminated new money, not previously appropriated money; so this particular amendment is doubly vicious.

Mr. MOORHEAD. It is doubly vicious. I agree heartily with the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I am one of those who voted to sustain the veto, but I certainly do not go so far as to throw out previously appropriated funds which as shown by the statement of the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], this last year was intended for the Allegheny Reservoir. For example, $1,333,000 of unused money from the 1958 appropriations are being canceled by this amendment that would otherwise have been there in spite of the veto.

Mr. MOORHEAD. I would like to add this. Allegheny River Reservoir is only in a technical sense a new start. The money has already been appropriated for the construction of this item, and construction would have started years ago. It would be well on the way to completion now except for a lawsuit that held up the use of this money. That lawsuit has terminated. There is no reason why we should not use this money and money previously appropriated.

This is an example of the outrageous effect of the amendment. I believe it should be soundly defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, when we passed the appropriation bill that the President vetoed I think practically every Member of the House was very happy, because they realized that that bill was the result of months of hearings and efforts by the subcommittee, a profound consideration by the House, and a committee of the other body and the other body itself. We felt that the bill was an honest and a fair bill to the people of all sections of our country in connection with matters of great importance to them, whether flood control protection, conservation, or any other of the activities that were involved in the appropriation bill that was vetoed.

I do not know of any appropriation bill that approximated greater satisfaction, any public works appropriation bill, in my 31 years in this body, than the one we sent to the President.

In the exercise of his judgment and following his constitutional authority, the President vetoed the bill. We exercised our constitutional authority and the veto was sustained by one vote. This bill is now before the House in the exercise of our constitutional responsibility. The President's power to veto stems from the Constitution, our power to try to pass over the veto stems from the Constitution, our power to consider the bill today also stems from the Constitution. I do not think the Constitution ever intended that the Congress of the United States should abdicate its constitutional authority to any President.

When the bill was vetoed the other day we heard talk of recrimination. I knew that on the Republican side there were many Members suffering, and I say this not politically but objectively, there were many of my Republican friends suffering keenly who voted to sustain the veto. We know they were hoping that the veto would be overridden, that there would be the two-thirds vote to override. They could play it both ways. They are suffering today. But the political suffering of this vote is not now. It is going to be in November of 1960. That is when all of these vetoes are going to be interpreted in political terms—not today or in the months ahead, but in November 1960. The old law of action and reaction will operate then. I would love to be a candidate in the district of some Members who voted to sustain the veto, particularly with projects located in that district. But now you have a chance to undo it. You have a chance to correct your error of a few days ago. We have not brought in a recriminatory bill, we are not striking out the projects that were located in districts represented by friends of mine on the Republican side. That would not be right, and I would not stand for it. They are human beings living in your districts, the same as human beings living in my district and other districts. They are Americans, too. We reported out a fair bill and an honest bill. We have treated them all alike, deducting 2½ percent to try to meet the objections of the President. And, we are exercising our constitutional power and our judgment in so doing. Now, if the President vetoes it again, that is his responsibility.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. Oh, I am always glad to yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman is very fair in that regard, and I thank him for it. I want to say, first of all, that there has been no recrimination, I appreciate that, but I want to understand correctly, if I may, the gentleman's words about political reprisals in November of 1960.

Mr. MCCORMACK. Oh, I did not say political reprisals.

Mr. HALLECK. Let me conclude my question, please. Is the gentleman arguing that this sort of political consideration should govern in connection with a bill like this instead of a Member's own conviction about what he thinks is right?

Mr. MCCORMACK. What I said was that the veto and the vote will be considered politically in terms of November 1960. What is wrong with that? You are here because of politics. I am here because of politics. We are politicians. And, what is wrong with talking about the next election? Let me say to my friend from Indiana that it is Members on his side that are worried; not Members on my side that are worried.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. MCCORMACK. Of course, I am always glad to yield.

Mr. HALLECK. The gentleman has been here longer than I have.

Mr. MCCORMACK. By the way, there are a couple of projects right up there in Indiana, too; a couple of rivers right around the gentleman's district.

Mr. HALLECK. I understand. But, let me just say to the gentleman that in my time in politics—and I am a politician; I come from Indiana, and that comes natural, of course—but may I just say this, that I have found, in the long run, the best politics is to do right.

Mr. MCCORMACK. Ah, that is what we are doing in this bill. We are doing the right thing because we are treating everybody decent. There is no project taken out of this bill reported now that was not in the original bill. You might disagree with our judgment, but remember one thing, we are fair to every Member of the House.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 91, noes 216.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill be dispensed with and that amendments shall be in order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Are there any points of order to the bill?

If not, the Chair will receive amendments.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 18, after line 19 insert:

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. Each of the appropriations in this bill are hereby reduced by 2½ percent."

Mr. JENSEN. Mr. Chairman, I offered this amendment in the Public Works Subcommittee on Appropriations when the bill was marked up in the first instance. My amendment lost by an almost strict party vote. Then Mr. TABER offered it on the floor of the House in a motion to recommit and that lost. Now, in order to carry out my original intent to reduce the bill 5 percent across the board, I offer this amendment to reduce the bill an additional 2½ percent, which would make a 5 percent reduction on the original bill as it came from the conference committee. A 5 percent reduction can be lived with not only in construction funds, but also in planning funds and also in personnel funds which are provided in this bill.

A further reduction of 2½ percent would reduce the amount appropriated in this bill as it comes to the floor $30 million in round figures. Hence if the amendment is approved the bill would provide approximately $30 million below the President's budget request. I think it is very reasonable that we do this for two reasons. First, we should save this $30 million; and, second, it might encourage the President to sign the bill.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WEAVER. It has been stated here that the President received considerable misinformation and poor advice when he vetoed this bill. Can the gentleman state whether he was ever consulted by the President on this matter?

Mr. JENSEN. No, not at all in connection with this bill.

Mr. WEAVER. Mr. Chairman, I did not want the gentleman to be blamed for the misinformation that was given the President.

Mr. JENSEN. I thank the gentleman. In the 17 years I have served on the Committee on Appropriations of the House of Representatives I have been very active in helping the economy-minded members on that committee, both Democrats and Republicans, to strike out all unnecessary and wasteful spending as we saw such waste in the bills. I yield to no man in this House of Representatives so far as an economy record is concerned, and I do not apologize for this bill. There are, as I said previously, a few projects in this bill that I would not have put in the bill. But as a whole it is a good bill. It is for the conservation and the preservation of our country, to stop destructive floods, and to save life and property.

Mr. CANNON. Mr. Chairman, we ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment, offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. ASPINALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Interior Secretary Seaton's statement on the President's veto of the former public works appropriation bill has come to my attention, and I would like to make a few comments with respect to it.

Secretary Seaton, as a spokesman for the administration, in such release, voices his alleged friendship and support of a strong Federal reclamation program. I do not see how this claim can be made successfully by an administration spokesman in the face of such actions as the aforesaid veto and its accompanying message. In my opinion, this administration is just not being honest with the American people in purporting to favor a strong reclamation program on the one hand while refusing on the other hand to recommend adequate expenditures for such a program.

I renew the contention I have stated several times previously to this body that this administration has neglected without justifiable cause the reclamation program, and I submit that one needs only to examine the annual budget requests to confirm this statement. I submit further that it is due almost entirely to actions by the Congress, such as adding a few new starts, that the annual level of spending has been boosted a little, an insignificant amount in my opinion, in recent years.

How can Secretary Seaton justifiably say, as he did in his statement on the President's veto of the public works bill, "I am personally 100 percent in favor of a strong, continuing reclamation construction program" and in the same statement say, "I support without reservations the President's veto of the public works appropriation bill for 1960"? These statements are just not consistent.

Secretary Seaton also indicates his agreement with the President's statement that the former appropriation bill as delivered to the President ignored the necessity for an orderly development of America's water resources. With respect to the reclamation program, this is certainly not a constructive or factual statement. I have previously discussed before this body the studies which my staff and I have made to demonstrate that we can start the projects included in the bill which the President vetoed and additional projects annually without excessive pyramiding of future fund requirements.

Secretary Seaton says that he is for a progressive construction program, but how can a program be progressive unless we continue to add needed and feasible projects to take the place of those which are being completed and unless that program maintains its relative position with other Federal programs in an expanding economy?

There are two sets of figures in the Secretary's statement that I would like to refer to briefly. He states that the program envisioned by the vetoed bill would have required as a minimum $310 million in fiscal year 1961 and $296 million in fiscal year 1962. While I do not agree with these figures because of the studies I have made and I believe they can be reduced without adversely affecting efficient scheduling of construction, at this time I want to question whether they actually are unreasonably high in view of the fact that if the reclamation program had maintained a relative position in our overall Government spending that it held prior to World War II we would be spending about $370 million annually.

Secretary Seaton states that if the new starts included in the vetoed bill are initiated in fiscal year 1961 instead of 1960 our requirements would be approximately $275 million in fiscal year 1961 and $289 million in fiscal year 1962, and refers to these figures as much more realistic in the light of the overall Federal budget situation. Both these sets of figures are only someone's estimate as to the amounts that may be required to maintain an efficient construction schedule and I cannot understand this great importance that has been attached to them for the purpose of explaining the veto. They have no sounder basis than the estimates of future requirements developed in my study and therefore I maintain that Secretary Seaton's "realistic fund requirements" for fiscal year 1961 and for fiscal year 1962 could be adhered to even with the new starts in.

In summary, Mr. Chairman, what I am saying is that the administration and the Secretary of the Interior, while openly claiming to be strong supporters of the reclamation program, have, by the actions taken and statements made, done great damage to the program. Such actions amount to strangling the child immediately after its birth. Support for project authorizations does not indicate support of the program if the administration continues to refuse financial support for construction. There is no point in continuing to authorize projects if we are not going to build them. The information and data which is the basis for project authorizations soon becomes obsolete and out of date. With extended delays, quite correctly, the Committees on Appropriations ask for reviews and in some instances for reauthorization.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, without amendment and with a favorable recommendation.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9105) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations for further consideration.

Mr. CANNON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 304, nays 93, not voting 38, as follows:

[Roll No. 170]

YEAS—304

Abernethy	Conte	Harris
Adair	Cook	Harrison
Addonizio	Corbett	Hays
Albert	Cramer	Healey
Alexander	Curtin	Hébert
Alford	Daddario	Hechler
Anderson, Mont.	Daniels	Hemphill
Andrews	Davis, Ga.	Henderson
Ashley	Davis, Tenn.	Herlong
Ashmore	Dawson	Hoeven
Aspinall	Delaney	Hogan
Avery	Dent	Holland
Bailey	Denton	Holtzman
Baker	Diggs	Horan
Baldwin	Dingell	Huddleston
Baring	Dixon	Hull
Barr	Dollinger	Ikard
Barrett	Donohue	Inouye
Bass, Tenn.	Dorn, S.C.	Irwin
Beckworth	Dowdy	Jarman
Belcher	Downing	Jennings
Bennett, Fla.	Doyle	Jensen
Bennett, Mich.	Durham	Johnson, Calif.
Betts	Edmondson	Johnson, Colo.
Boggs	Elliott	Johnson, Md.
Boland	Everett	Johnson, Wis.
Bolling	Fallon	Jones, Ala.
Bonner	Farbstein	Karsten
Bowles	Fascell	Karth
Boykin	Feighan	Kasem
Boyle	Fenton	Kastenmeier
Brademas	Fisher	Kearns
Bray	Flood	Kee
Breeding	Flynn	Kelly
Brewster	Fogarty	Kilday
Brock	Foley	Kilgore
Brooks, La.	Forand	King, Calif.
Brooks, Tex.	Forrester	King, Utah
Brown, Ga.	Fountain	Kirwan
Brown, Mo.	Frazier	Kitchin
Buckley	Friedel	Kluczynski
Budge	Fulton	Knox
Burdick	Gallagher	Kowalski
Burke, Ky.	Garmatz	Landrum
Burke, Mass.	Gary	Lane
Burleson	Gathings	Lankford
Bush	Gavin	Lennon
Byrne, Pa.	George	Levering
Cannon	Giaimo	Libonati
Carnahan	Granahan	Loser
Carter	Grant	McCormack
Casey	Gray	McDowell
Celler	Green, Oreg.	McFall
Chelf	Green, Pa.	McGinley
Chenoweth	Griffiths	McGovern
Chiperfield	Gubser	McMillan
Clark	Hagen	McSween
Coad	Haley	Macdonald
Coffin	Halpern	Machrowicz
Cohelan	Hardy	Mack, Ill.
Colmer	Hargis	Madden
	Harmon	Magnuson
Mahon	Pilcher	Smith, Iowa
Mailliard	Porter	Smith, Kans.
Matthews	Preston	Smith, Miss.
May	Price	Spence
Merrow	Prokop	Springer
Metcalf	Pucinski	Staggers
Meyer	Quigley	Steed
Miller, Clem	Rabaut	Stratton
Miller, George P.	Rains	Stubblefield
Mills	Randall	Sullivan
Mitchell	Rees, Kans.	Teague, Calif.
Moeller	Reuss	Teague, Tex.
Monagan	Rhodes, Ariz.	Thomas
Montoya	Rhodes, Pa.	Thompson, La.
Moore	Riley	Thompson, N.J.
Moorhead	Rivers, Alaska	Thompson, Tex.
Morgan	Rivers S.C.	Thomson, Wyo.
Morris, N. Mex.	Roberts	Thornberry
Morris, Okla.	Rodino	Toll
Morrison	Rogers, Colo.	Trimble
Moss	Rogers, Fla.	Udall
Moulder	Rogers, Mass.	Ullman
Multer	Rogers, Tex.	Vanik
Murphy	Rooney	Vinson
Murray	Roosevelt	Walter
Natcher	Rostenkowski	Wampler
Nix	Roush	Watts
Norblad	Rutherford	Weaver
Norrell	Santangelo	Whitener
O'Brien, Ill.	Saund	Whitten
O'Hara, Ill.	Schwengel	Wier
O'Hara, Mich.	Scott	Williams
O'Konski	Selden	Willis
Oliver	Shelley	Winstead
Passman	Sheppard	Wolf
Pelly	Shipley	Wright
Perkins	Siler	Yates
Pfost	Simpson, Ill.	Young
Philbin	Sisk	Zablocki
	Slack	Zelenko

NAYS—93

Abbitt	Dwyer	Nelsen
Alger	Fino	Osmers
Allen	Flynt	Ostertag
Andersen, Minn.	Frelinghuysen	Pillion
Arends	Glenn	Pirnie
Auchincloss	Goodell	Poff
Ayers	Griffin	Quie
Barry	Gross	Ray
Bass, N.H.	Halleck	Reece, Tenn.
Bates	Hiestand	Riehlman
Becker	Hoffman, Ill.	Robison
Bentley	Holt	Saylor
Berry	Hosmer	Schenck
Bosch	Jackson	Scherer
Bow	Johansen	Short
Broomfield	Jonas	Simpson, Pa.
Brown, Ohio	Judd	Smith, Calif.
Byrnes, Wis.	Keith	Smith, Va.
Cahill	Lafore	Taber
Cederberg	Laird	Tuck
Chamberlain	Langen	Utt
Church	Latta	Van Zandt
Collier	Lindsay	Wainwright
Cunningham	Lipscomb	Wallhauser
Curtis, Mass.	McCulloch	Weis
Curtis, Mo.	McIntire	Wharton
Dague	Mack, Wash.	Widnall
Derounian	Mason	Wilson
Devine	Meader	Withrow
Dooley	Michel	Younger
Dorn, N.Y.	Milliken	
	Mumma	

NOT VOTING—38

Anfuso	Hall	O'Brien, N.Y.
Barden	Hess	O'Neill
Baumhart	Hoffman, Mich.	Patman
Blatnik	Holifield	Poage
Blitch	Jones, Mo.	Powell
Bolton	Keogh	St. George
Broyhill	Kilburn	Sikes
Canfield	Lesinski	Taylor
Cooley	McDonough	Teller
Derwinski	Marshall	Tollefson
Dulski	Martin	Van Pelt
Evins	Miller, N.Y.	Westland
Ford	Minshall	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Poage for, with Mr. Ford against.

Mr. Jones of Missouri for, with Mr. Van Pelt against.

Mr. Keogh for, with Mr. Taylor against.

Mr. Anfuso for, with Mr. Kilburn against.

Mr. Baumhart for, with Mrs. Bolton against.

Mr. Holifield for, with Mr. Minshall against.

Mr. O'Neill for, with Mr. Miller of New York against.

Mr. Blatnik for, with Mr. Hess against.

Mr. Sikes for, with Mrs. St. George against.

Mr. Teller for, with Mr. Marshall against.

Mr. Dulski for, with Mr. McDonough against.

Until further notice:

Mrs. Blitch with Mr. Martin.

Mr. Barden with Mr. Tollefson.

Mr. Patman with Mr. Broyhill.

Mr. Gallagher with Mr. Canfield.

Mr. O'Brien of New York with Mr. Hoffman of Michigan.

Mr. Evins with Mr. Westland.

Mr. Lesinski with Mr. Derwinski.

Mr. HOSMER changed his vote from "yea" to "nay."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HON. DALE ALFORD DULY ELECTED TO THE 86TH CONGRESS

Mr. ASHMORE from the Committee on House Administration reported a privileged resolution (H. Res. 380, Rept. No. 1172) which was referred to the House Calendar and ordered to be printed.

Mr. ASHMORE. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 380) relative to the investigation of the November 4, 1958, election in the Fifth Congressional District of Arkansas, and declaring that DALE ALFORD was duly elected to the 86th Congress, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the Committee on House Administration has concluded its investigation of the election of November 4, 1958, in the Fifth Congressional District of Arkansas pursuant to House Resolution 1; and

Whereas such investigation reveals no cause to question the right of DALE ALFORD to his seat in the Eighty-sixth Congress; Therefore be it

Resolved, That DALE ALFORD was duly elected a Representative to the Eighty-sixth Congress from the Fifth Congressional District of Arkansas, and is entitled to a seat therein.

Mr. SCHENCK. Mr. Speaker, it is not my intention or purpose in my comments to enter into the discussion in any way as to the relative merits of either candidate to represent the Fifth Congressional District of Arkansas here in the House of Representatives. Such a decision rests completely, and properly so, in the hands and judgment of the qualified electors of that district.

The existence of rumors and statements attributed to various people, Mr. Speaker, alleging fraud and dishonesty in this election apparently indicated to to the gentleman from Massachusetts,

the Honorable JOHN W. MCCORMACK, the possibility that an objection might be made to the seating of the gentleman from Arkansas [Mr. ALFORD]. It will be recalled, Mr. Speaker, that House Resolution 1, presented by the gentleman from Massachusetts [Mr. MCCORMACK], was adopted here in the House of Representatives on January 7, 1959, and that under its provisions the final right of DALE ALFORD to a seat in the 86th Congress was referred to the Committee on House Administration on which I have the honor to serve as the ranking Republican member. Thus it became the duty of this committee, through its Subcommittee on Elections, to conduct a thorough, complete, and unbiased investigation into all factors, circumstances, records, and phases of this election. Therefore, I supported the motion made in the Committee on House Administration to authorize and order such an investigation.

The Subcommittee on Elections, Mr. Speaker, has made a very thorough and complete investigation. It has been assisted by a well-qualified staff and by expert consultants. The printed report of this subcommittee, Mr. Speaker, contains 217 pages and illustrates the thorough and unbiased way in which this investigation was made. I want to extend my appreciation and my thanks to the members of the subcommittee, its staff, and its consultants for the very able and thorough manner in which they did their work.

Mr. BURLESON. Mr. Speaker, the gentleman from Ohio [Mr. SCHENCK] has made a very fine statement and one in which I concur. The gentleman has been helpful and cooperative in this matter as well as the other members of the minority.

Mr. Speaker, I take full responsibility for what has heretofore, both on the RECORD and in private, been described as a delay in the consideration of this matter. However, the delay from January, at the time House Resolution 1 was adopted, to April, was not unusual. As a matter of fact, the Federal court in Little Rock, Ark., had the ballots impounded and not available for the subcommittee's inspection until after it was decided by the House Administration Committee to investigate the congressional election in the Fifth District.

Mr. Speaker, before this matter is closed I wish to compliment the Subcommittee on Elections of the Committee on House Administration for having performed in a highly responsible manner.

As everyone is aware, this matter has been charged with considerable emotion. Facing some unfavorable circumstances and difficulty the subcommittee proceeded with diligence and objectivity. It spent many hours of hard work. It spared no effort. The gentlemen on the committee traveled to Little Rock and worked on weekends and a holiday. An able and competent staff worked with them and rendered an indispensable service in determining facts and circumstances on which a correct conclusion could be reached.

The House owes the subcommittee chairman, the gentleman from South Carolina [Mr. ASHMORE], and members of his committee on both sides, a vote of thanks which can be shown by supporting their report and the resolution pending.

Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred seventy-five Members are present, a quorum.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. FULTON), there were—ayes 245, noes 5.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks immediately preceding the vote on this question.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADDITIONAL PROGRAM FOR SEPTEMBER 9

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, I want to advise the Members of the House that in addition to the other bills that the chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], will call up under unanimous consent, probably tomorrow, there will be included the bill H.R. 8685, to amend the Internal Revenue Code of 1954 to provide for the Presidential appointment of a general counsel for Internal Revenue and to provide for the appointing of other officers for the Internal Revenue Service.

PROVIDING STANDARDS FOR THE ISSUANCE OF PASSPORTS

Mr. SELDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9069 with Mr. RILEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Alabama [Mr. SELDEN], had 4 minutes remaining; the gentleman from Indiana [Mr. ADAIR], had 15 minutes remaining.

The Chair recognizes the gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I requested time to speak on this vitally important legislation today because, as the records will show, I introduced the first bill in Congress on passport control just 2 days after the Supreme Court decision was rendered in the Kent against Dulles case on June 16, 1958. Several other bills of a similar nature were introduced in the weeks that followed, without any action being taken before adjournment of the 85th Congress.

I would be remiss if I did not thank my Illinois colleague, Mrs. CHURCH, for having relinquished her time to me, particularly so because I did not have the opportunity to personally testify before the subcommittee when I appeared for that purpose recently.

For fifteen months now we have lived with a Supreme Court decision which has virtually opened the gates to unlimited travel abroad by native-grown subversives, Communists, and fellow travelers. We spend billions of dollars of the taxpayers' money in this country to maintain the defense and security of these United States. A wide variety of legislation, good and bad, is brought before this Congress with a defense label and defense, to me, means nothing more than an investment in the security of every American who believes in our way of life. Yet there are those who are apparently reluctant to support this legislation which is as vital to the security of this Nation as any so-called defense program we might possibly consider.

One of the real advantages we have in our efforts to control or counter the Communist conspiracy within the United States is that our counterintelligence agents have been able to keep a watch on the Communists and fellow travelers. Through this close scrutiny they have been able to discover who enemy agents were, maintain a line upon Communists and equally close surveillance over them. Now, however, we must allow these fifth columnists to move abroad easily and often with a travel permit bearing the seal of the United States. Even under the protection of a Court decision and the clamor of the civil liberties advocates, it seems tragic to me that those who are charged with the responsibility of maintaining our security must stand by in forced idleness, frustrated because they are kept powerless by the law to act. Anyone who knows anything about communism and its fifth-column activities knows full well that the success of their operation depends upon their ability to get together without undue difficulty.

Certainly, we all believe in the principle of civil liberties. But, by the same token, I do not believe that we can risk the rights and the the securities of millions of Americans, who are paying dearly for the functions of our internal security in this country, to appease any conspirators who hide behind some impractical philosophy of which there is an abundance within a small but vocal group of our people these days. And in this regard may I say some of these ill conceived virtues become our sins of self-destruction. Just yesterday we heard the distinguished Chairman of the Committee on Un-American Activities, Mr. WALTER, point to some very significant

factors regarding the growth of communism and subversion in this country. Hence the responsibility of this Congress is as clear as crystal. In the interest of the security of millions of God-fearing, loyal Americans, who are entitled to every ounce of internal security we can provide, it is our duty to pass this legislation without further delay. We must legislate to spell out the positive intent of Congress to grant to the State Department such authority as is necessary to do this job so that we do not adjourn this year and again leave a vacuum in this vitally important area of our national security.

Mr. ADAIR. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, on June 16, 1958, the Supreme Court of the United States in the case of Rockwell Kent and Walter Briehl against the Secretary of State, rendered a decision, the effect of which is to completely nullify any control on a security basis in the issuance of passports.

In these two cases, the Secretary of State exercising the authority which has had the sanction of this Government since its founding, denied passports to two Communists in the interest of national security. The majority opinion of the Court, which struck down the authority of the Secretary of State, stems from this basic misconception of Communists and the Communist conspiracy:

> They are being denied their freedom of movement solely because of their refusal to be subjected to inquiry into their beliefs and associations.

The nub of this case, Mr. Chairman, is the misconception by a majority of the Court, that communism is merely a political philosophy or ideology. Notwithstanding the overwhelming evidence that Communism is a world conspiracy and that Communists are conspirators dedicated irrevocably to world revolution, the majority of the Court has yet to accept this elemental fact.

Several months after the decision was rendered in the Kent-Briehl case, the Committee on Un-American Activities conducted a series of public hearings on this very issue. The first witness who was interrogated was Mr. Harry Bridges, an international Communist agent, who, at the time of his interrogation by the committee, had just returned from Europe where he traveled on a U.S. passport for the purpose of conferring with other Communist agents with whom he worked out arrangements for intermeshing of his Communist-dominated Longshoremen. Bridges flatly stated to our committee that he would advocate a strike to impede the shipment of supplies to Formosa, if the U.S. Government were shipping supplies there in the event of our conflict with the Communists. Shortly after this committee session with Bridges, he left again on a U.S. passport to go to Tokyo to participate in an Asian dock conference consisting principally of representatives of Communist-led labor organizations.

Continuing this series of hearings, the Committee on Un-American Activities interrogated witness after witness who had been identified as hard-core agents of the international Communist conspiracy and who had procured passports to travel abroad in the interest of the conspiracy. Here are a few of the witnesses whom we interrogated:

William L. Patterson, general manager of the Communist Worker: Some several years ago, Patterson's passport was taken up by the State Department because he had violated the security restrictions which had been imposed on him in his travels to Iron Curtain countries. Immediately after the Kent-Briehl decision, Patterson procured a passport without any difficulty to use in the interest of the conspiracy.

Casimir T. Nowacki at one time had procured a passport under such circumstances that it was seized on the ship's gangplank by Department of State officials. After the Kent-Briehl case, this Communist was promptly issued a passport.

Dorothy Ray Friedman was identified in hearings of the committee in Boston by an FBI undercover agent as a Communist agent. Immediately after the Kent-Briehl decision she received a passport.

Fred Paul Muller, in 1956, was cited by the international Communist apparatus for doing "fine international work for the party." Immediately after the Kent-Briehl decision, Muller received a passport.

Arthur David Kahn, of New York, who, over the course of many years time, served as a member of the Communist conspiracy while serving with the OSS of the U.S. Government in Germany, and who had, on numerous occasions been refused U.S. passports on security grounds, was issued a passport promptly after the Kent-Briehl decision.

These are only a sampling, Mr. Speaker, of hundreds of cases in which passports have been issued to Communists to carry out their nefarious work in the interest of the international conspiracy. Incidentally, each of the witnesses whom I have mentioned invoked the fifth amendment right down the line in response to almost every question concerning their activities.

In the course of these hearings by the Committee on Un-American Activities, we received the testimony of John W. Hanes, Administrator, Bureau of Security and Consular Affairs of the Department of State.

Characterizing existing passport control as a "particularly dangerous hole in our defenses against the operations of the international Communist conspiracy," Mr. Hanes stated that at the present time the Department of State has no alternative but to issue passports upon demand to hard-core active Communist supporters.

Continuing, Mr. Hanes testified:

> I don't know exactly how many members the Communist Party of the United States now has—perhaps 15,000 or 20,000. But, however many there are, each and every party member as of today can get a passport from the Department of State, except in the rare instance that he happens to be ineligible for some other reason, such as being a fugitive from justice. This is a breach in our defenses which our enemies have been quick to take advantage of. Many persons with known Communist affiliations have applied for passports since the decision of the Supreme Court, some of them even though they have no present intention of going abroad.

Mr. ADAIR. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I oppose this bill. It sets up a chancellor's foot or, if you like, a secretary's foot in regard to who gets a passport or whose passport is revoked. It gives the President unlimited power to say who can go to particular areas of the world—unlimited power. It even gives the President the power to say that a committee of this Congress cannot go to a particular place in the world.

Mr. Chairman, I think the bill is unnecessary. I think it is dangerous. Are we afraid of the slurs, the criticisms, and the lies which Communists and Communist supporters will tell about us in other countries any more than we are afraid of the slurs and the criticisms and the lies they tell about us here in this country? Is our foreign policy so frail that we have to keep these people here? The gentleman from Kentucky [Mr. CHELF], yesterday said they should stay here and listen. Who is going to make them listen? We cannot make them listen. And, do we believe in the right of dissent? Are we a land of the free and a home of the brave? Or, are we afraid? I know that Soviet Russia would never allow its people to come over here and criticize its government, but the very fact that these people go overseas and speak against us is living proof of the strength of our system, of the right to dissent. We are not afraid. We are a strong Nation. We have powerful traditions. We love freedom; we love democracy. We do not need to tie our hands either as a Congress or as a people to get facts or to try to stop dissent. You will not stop dissent. The bill says that we do not want these couriers to go abroad. Read page 3 of the report. They admit that this bill will not cut off Communist communication. The couriers will get there anyway; they will go to South America. They will use diplomatic pouches.

Mr. Chairman, the bill is unnecessary. It is dangerous. It sets up a secretary's foot, a security standard that is meaningless, and it allows the President of the United States to say, in his wisdom, that the Congress cannot go out into all the world and get the facts that it needs through its own Members personally to make important legislative decisions. It is an unnecessary bill. It is a dangerous bill.

Mr. SELDEN. Mr. Chairman, I yield 4 minutes to the gentleman from Maine [Mr. COFFIN].

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from New York.

Mr. FARBSTEIN. Inasmuch as there seems to be some question as to the definition of the phrase "on the record" I would like to have the author of the bill inform the House whether or not the following reflects the intent of the House insofar as the foregoing phrase is con-

cerned: No passport shall be finally denied unless there is presented at a hearing and made a part of the record testimony sufficient to warrant denial of a passport. The entire record of the hearings shall be made available to the court on appeal.

Mr. SELDEN. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from New York that he is correct, I think, in stating that the Department's position must stand on the record that is made at the administrative hearing. If the court ascertains that the record before it meets the requirements of law, then the Department's position will be sustained; otherwise the Department will be ordered to issue a passport, as I understand the legislation.

Mr. FARBSTEIN. I thank the gentleman.

Mr. CELLER. Mr. Chairman, if the gentleman will yield, would the gentleman from Alabama answer the question in a responsive way? The gentleman from New York asked whether or not the record would include testimony. He did not say anything about testimony. I would suggest that your answer be directed to the word "testimony." That is very important.

Mr. SELDEN. I would say to the gentleman from New York that the record would include what was brought before the administrative hearing, and that would go before the court on review.

Mr. CELLER. Will it include testimony, oral testimony, that might be given either for or against?

Mr. COFFIN. Is it not true that if there were oral testimony given at the hearing it would be part of the RECORD?

Mr. SELDEN. It would be in the RECORD, as I understand it.

Mr. COFFIN. I thank the gentleman. I was happy to yield for this question because in the discusion of this bill there has been a great deal of confusion as to how repressive or how dangerous this bill might be.

I join my other colleagues on the committee in thinking that we have done a remarkable job in preserving a judicial review of the record. I might as well continue on this theme because it comes very close to the heart of what many of the Members are interested in.

A passport case involves an investigation of an applicant. It involves the giving of evidence. And the State Department eventually will be called upon to say to itself whether it will or will not reveal the evidence that it has gathered and the source of this evidence on the record for the court and eventually for the applicant to see. We on the committee realize that many cases will result in the State Department's saying to itself, "Rather than reveal this evidence to the court and the applicant, we are just not going to push this case. We will let this passport be issued."

We on the committee have taken this as a calculated risk. We do feel the provision will result in the denial or the delay of many passports where such is justified. In other words, we think that in this case we have balanced quite fairly, as fairly as our ingenuity has permitted us, the rights of the individual and the right of this country to guard its national security.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. On this point?

Mr. HOLTZMAN. On that point, yes.

Mr. COFFIN. I yield.

Mr. HOLTZMAN. In other words, is the gentleman saying that in the event there is a denial, every part of the record including the testimony will be afforded to the traveler in an effort to review or to seek review?

Mr. COFFIN. That is the record that will be presented to the court.

Mr. HOLTZMAN. The court, yes.

Mr. COFFIN. Yes.

Mr. HOLTZMAN. Very good.

Mr. COFFIN. The gentleman is correct, that is my understanding and the understanding of the sponsor of the bill.

The CHAIRMAN. The time of the gentleman from Maine [Mr. COFFIN] has expired.

Mr. ADAIR. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, during the hearings conducted by the Committee on Foreign Affairs, the need for legislation to grant the Secretary of State authority to deny passports to persons knowingly engaged in activities intended to further the international Communist movement was adequately illustrated and documented. The discussions in the House on this bill have further confirmed the fact that the Department of State needs reasonable authority to deny passports to supporters of the world Communist movement whose travel abroad is found to be detrimental to U.S. security.

The purpose of this bill is to grant such necessary authority, subject to specific delineation and delimitation. I am convinced that the bill accomplishes this purpose.

The basic problem which confronted the committee in drafting this bill was the inevitable conflict between the grant to the executive of the necessary authority and discretion to deny or revoke passports to individuals active in the international Communist movement and the necessity of protecting the liberties guaranteed to U.S. citizens by our Constitution.

The bill as reported by the committee succeeds in reconciling this fundamental conflict between the grant of authority and the protection of the rights of the individual. Such a reconciliation inevitably involves compromise. The bill does not give the Secretary of State sufficient authority to bring to an end all travel outside the United States by active supporters of world communism. On the other hand, it does give the Secretary authority he does not now possess and which will assist him in meeting the responsibility he faces in dealing with the present world situation.

Section 8 of the bill sets forth in detail specific measures for protecting the rights of the individual. First, it provides that no application for a passport can be denied or a passport revoked without a departmental hearing. The procedure for conducting such hearings will be pursuant to law and rules and regulations established by the Department of State. As a convenience to the applicant and to assure him an opportunity for a hearing the section includes a specific requirement that such hearings shall be held in the judicial district of the United States court in which the resident resides or is present at the time of his application, unless the applicant waives such requirement.

Finally, the section provides that the denial of a passport by the Department as a result of such hearing shall be subject to judicial review in the district courts of the United States. The words "on the record" were included in the section to make clear that the court can consider in reviewing a case only the information on the record. If such information is sufficient to meet the requirements of the law, the passport may be denied. Otherwise, the denial may be overruled by the court. This eliminates consideration by the court on review of undisclosed sources of information and of secret information. In other words, if the Department wishes to insure on review that denial of a passport will be sustained and such denial has been based on confidential information, the Department must decide whether or not it wishes to put all such information in the record at the time the record is being made.

Mr. Chairman, as a cosponsor of this important legislation I was happy to have played a part in the committee and House consideration of the bill. I congratulate and commend my distinguished colleague from Alabama, Mr. SELDEN, for his remarkable effort in steering this bill from introduction through passage. His perseverance, amiable personality, and outstanding ability were the primary factors in making possible consideration of this measure which was extremely difficult to write and get out of committee. It now represents a very genuine committee effort to amalgamate varying viewpoints into a much-needed law.

I close by commending our distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania, Dr. MORGAN. His leadership, fairness, and cooperation during lengthy committee sessions were a significant contribution to this effort.

Mr. Chairman, I urge overwhelming support of this bill.

Mr. ADAIR. Mr. Chairman, I yield the balance of the time on this side to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, the issues in controversy on the passport bill were clearly spelled out during the debate yesterday. I feel that the committee, and considering the magnitude of the problem involved, has produced a measure while not approved by all of the Members of this body, is nonetheless a workable program involving considerable compromise as between those who hold that there should be the strongest type of legislation to meet the problem posed by unrestricted travel abroad by Communists, and on the other hand, those who profess to see a loss of some

treasured rights of citizenship in any bill which might be passed.

As a member of the House Committee on Un-American Activities, the gentleman from California recently participated in hearings before that committee designed to determine the scope of the passport problem and the actual necessity for restoring to the Department of State some measure of authority in the regulation of the issuance of passports to those whose purpose in traveling in foreign countries is the embarrassment of the United States and its allies. Communist witness after Communist witness arrogantly invoked the provisions of the fifth amendment when questioned about the use of passports forced from the State Department following recent decisions of the Supreme Court. The gentleman from Ohio [Mr. SCHERER], on yesterday gave several examples of the type of travel this measure is designed to prevent. I should like to add another to the end that the membership of the House may understand clearly what type of travel is involved and by whom.

Hugh Hardyman, a resident of the city of Los Angeles at the time of the incident I am about to relate, was granted a passport for travel in the Far East. This in spite of the fact that Hardyman has a long and spectacular record of support of Communist causes. Armed with a valid U.S. passport for travel in certain specified countries, but not including Communist China and North Korea, Hardyman departed for the Far East. Upon his arrival he contacted, or was contacted by, agents of the Red China regime and, in violation of the provisions governing the issuance of his passport, he proceeded to Red China, where he made a series of broadcasts for Radio Peiping. In these broadcasts Hardyman accused the United States and its armed services of having engaged in bacteriological and gas warfare against the North Koreans and Chinese during the Korean operation. The charges were given the widest possible circulation throughout China and the rest of the Far East, and did irreparable damage to this country and its allies throughout that area.

On his previous record, Mr. Chairman, Hardyman should never have been issued a U.S. passport. It was a foregone conclusion that he would make every effort to undermine U.S. foreign policy in that vital area of the world, and lend whatever assistance he could to the Red Chinese propaganda effort. I do not concur with those who contend that the right to travel is an absolute right. As the gentleman from Virginia, Mr. POFF, pointed out on yesterday, the sovereign has a right to defend itself against the irresponsible or malicious acts of those who seek its overthrow.

A legislative body, representing, as this one does, some 170-odd million citizens, has a duty and a clear responsibility to insure that those who leave the shores of the United States for foreign countries do not go abroad for the purpose of subverting American institutions or doing violence to American foreign policy. Some of our colleagues here in the House profess to believe that their individual freedom of movement might conceivably be restricted by virtue of this legislation. While some might hope that this would prove to be the case, there is nothing in the bill to indicate that the legitimate travel, nay, even legitimate criticism, would in any manner be restricted if the measure were passed.

This country maintains a Military Establishment which costs us a staggering sum annually to keep in a state of instant readiness against military aggression. No matter how ready nor how well equipped our military forces may be, political subversion carried on by those whose allegiance is owed to foreign philosophies, can and does play an important role in the enemy's cold war strategy. It has been pointed out that the measure will not stop the travel of all Communist agents, nor will it put an end to propaganda spread by traitors to their own land, but it will restore, under reasonable safeguards clear to any reasonable man, the measure of authority required by the U.S. Secretary of State to prevent organized subversion by U.S. citizens traveling on valid U.S. passports.

A note of warning, Mr. Chairman. Many of us consider the provisions in the instant measure to be minimal in nature. Efforts will unquestionably be made to dilute the bill by amendments which will have the effect of maintaining the situation in status quo. I would urge the membership of the House to stay with the committee bill and resist any and all efforts to emasculate it by attempting to lay further restraints upon the Secretary, or adding to the criteria established in the bill for arrival at the decisions which must be made under its provisions.

The CHAIRMAN. The time of the gentleman from California has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 3, 1926 (44 Stat. 887), is hereby amended by adding at the end thereof the following:

"SEC. 5. The Congress finds that the international Communist movement, of which the Communist Party of the United States of America is an integral part, seeks everywhere to thwart United States policy, to influence foreign governments and peoples against the United States, and by every means, including force and violence, to weaken the United States and ultimately to bring it under Communist domination; that the activities of the international Communist movement constitute a clear, present, and continuing danger to the security of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed; that a United States passport requests other countries not only to permit the holder to pass freely and safely, but also to give all lawful aid and protection to the holder, and thereby facilitates the travel of such holder to and in foreign countries; and that, in view of the history of the use of United States passports by supporters of the international Communist movement to further the purposes of that movement, the issuance of passports to any person described in section 6 is harmful to the security of the United States and therefore passports should be denied to such persons.

"SEC. 6. The Secretary of State is authorized to deny a passport to, or revoke the passport of, any person who is, or has been since January 1, 1951, a member of, or affiliated with, the Communist Party, or who knowingly engages or has engaged, since January 1, 1951, in activities intended to further the international Communist movement, as to whom it is determined that his or her activities or presence abroad would under the findings made in section 5 be harmful to the security of the United States. The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization, association with any individual or group, adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.

"SEC. 7. The Secretary of State may require, as a prerequisite to the issuance of a passport, that the applicant subscribe to and submit a written statement duly verified by his oath or affirmation whether he is presently, or has been since January 1, 1951, a member of the Communist Party or a supporter of the international Communist movement, and to state the circumstances of any such membership or to state his activities in support of the international Communist movement.

"SEC. 8. No application for a passport may be denied, and no passport may be revoked, under section 6 of this Act except after opportunity for a hearing. In the case of a denial, such hearing shall be held in the judicial district (as defined in section 451 of title 28, United States Code) in which the applicant resides or is present at the time of his application, unless the applicant waives such requirement. A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review on the record in the district courts of the United States.

"SEC. 9. (a) A passport issued under this Act shall at all times remain the property of the United States. It shall be unlawful for any holder of a passport to refuse to surrender it upon proper demand by the Secretary of State or his authorized agent.

"(b) Whoever willfully violates subsection (a) of this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $1,000.

"TITLE II—GEOGRAPHICAL LIMITATIONS; PENALTIES

"SEC. 201. (a) The President shall have the power, by appropriate annual declaration pursuant to subsection (b) of this section, to restrain the travel of all citizens and to limit the validity of all passports with respect to travel to the following places:

"(1) Countries with which the United States is at war;

"(2) Countries or areas where armed hostilities are in progress;

"(3) Countries or areas to which the President finds that travel must be restricted in the national interest either because the United States Government is unable to provide adequate protection to citizens traveling therein or because such travel would seriously impair the foreign relations of the United States.

"(b) In the event that the President determines the necessity of promulgating a general geographical restraint upon travel and the use of passports under subsection (a) of this section, he shall annually declare and publish such determination, stating specifically and in detail the reasons for the necessity of such action, and shall cause notice thereof to be stamped on each passport thereafter issued, renewed, or amended.

"(c) In the national interest the President, without stating his reasons, may make exceptions to any such general geographical

restraint for particular individuals or categories of persons.

"SEC. 202. (a) No citizen shall travel to any country or area as to which there is in effect, to his knowledge, a declaration made and published by the President under section 201.

"(b) Whoever willfully violates this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $1,000."

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 20, strike out the word "who".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 21, after "has" insert "knowingly".

The amendment was agreed to.

Mr. BENTLEY. Mr. Speaker, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 3, lines 23 and 24, after the word "review" strike out the words "on the record".

Mr. BENTLEY. Mr. Chairman, the words "on the record" contained in lines 23 and 24, page 3 of the legislation probably constitute the most controversial language in the entire bill which is before us. Those Members who were on the floor yesterday, or who read the RECORD of yesterday, will recall that there were almost as many interpretations of the phrase "on the record" as there were Members who spoke.

The purpose of the amendment would be to remove the phrase "on the record" so that there would be no question that when this matter comes before the courts as I presume it will at some subsequent date, there will be no question as to the interpretation of this particular phrase.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the language after the word "review" in line 23 mean anything at all?

Mr. BENTLEY. Actually, I will say to the gentleman from Pennsylvania, that it was felt that judicial review would have to be held in a district court of the United States, and I presume that is where this would be reviewed—in any event, my personal belief is that the words "on the record" do not add anything to the legislation.

Mr. Chairman, the State Department has expressed substantial opposition to the inclusion of these words, and attempts were made in committee to remove them.

The State Department feels, and I think quite properly, that if these words remain in the bill it might very well require the Department of State in presenting its case before the district courts to reveal not only confidential information which would be used in determining the merits of the particular passport application, but also perhaps even the sources of this information.

I read, Mr. Chairman, from page 11 of the hearings. When the Administrator of the Department's Bureau of Security and Consular Affairs, Mr. Hanes, was requested for an interpretation on page 11, he said, referring to this particular provision, that "the phrase is a little obscure in its meaning, but we interpret this as very possibly effectively negating this section of the bill":

Now that provision is a little obscure in its meaning but we interpret this as very possibly effectively negating those sections of the bill which permit us to have some utilization of confidential information.

On page 49, the legal adviser of the State Department, Mr. Becker, referring to the same phrase, said, and I quote:

Mr. BECKER. I think those words "on the record" might be interpreted by the court as requiring us to furnish the confidential information that we had. I think our attitude as a matter of policy, nevertheless would have been to refuse to furnish it.

Mr. Chairman, it is obvious, I believe, that no one in the legislative branch of our Government can require the Secretary of State to go into court and spread upon the record the sources of confidential information, particularly if those sources happened to emanate from abroad. In other words, in effect, the State Department would be estopped in many of these cases and would be required to grant passports even in cases where it has clear-cut proof and evidence that the applicant had no right to the passport and was traveling abroad for purposes inimical to our national security and welfare.

Mr. Chairman, I have very carefully reviewed the committee report to see if the committee itself had any remarks to make regarding the interpretation of the phrase "on the record" and I find on page 4 of the committee print the following:

The committee has given careful consideration to the problems involved in the denial of passports on the basis of secret information, the nature and source of which are kept from the applicant to his detriment. The bill provides (sec. 8) that denial or revocation of a passport under section 6 shall be subject to judicial review on the record in the district courts of the United States.

* * * * *

Nevertheless, the committee is convinced that in order to protect the rights of the individual, the use of secret information must be carefully circumscribed even though as a result passports may be issued to persons who should not be permitted to leave the United States and who will abuse the benefits conferred by the possession of a valid U.S. passport.

I submit that the State Department in view of that interpretation of the language, will be estopped from pursuing many of these cases in court because of this particular phrase "on the record," for fear that confidential information and even confidential sources of information will have to be disclosed in open court, and rather than run that risk which would be prejudicial to the national security it would have to issue the passport.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Michigan offered this same amendment in committee. I am trusting to my memory. I believe he got three votes, certainly not more than three or four votes.

So the reason this phrase "on the record" is in the bill—very frankly, as I am sure the gentleman has been very honest in his presentation—is that if a person is denied a passport and appeals it that they shall have a chance to find out why it was denied in court. It is just as simple as that.

There is a lot of argument about whether or not those words are necessary or whether it would automatically if judicial review is granted require the disclosure of such information. I cannot answer that, but I certainly can say that by putting that language in the bill it makes it pretty clear that the record must be submitted.

The gentleman says that the State Department will have to divulge some confidential sources of information. Not at all. If the State Department in making a case, as the gentleman from the Un-American Activities Committee said, cannot submit the data on which they relied to support their decision, they can just issue the passport.

I think we are treading on a very serious borderline area here and I believe this may establish a precedent for years to come. That is, Do American citizens have the right to redress from wrongful acts in the courts?

The gentleman said these are the most controversial three words in the bill. I do not think they are. It may be controversial in the minds of a small minority in the committee. It may be controversial in the minds of a small minority of the members of the Committee of the Whole; but, in my opinion, it is crystal clear what this does. It simply reiterates that the hearings shall be on the record of the denial hearing down in the Department of State, nothing more nor less.

The gentleman from Pennsylvania makes the point that these words are unnecessary, that they do not mean anything. I am not prepared to debate that because I think we would be engaging in the exercise of semantics. I will say to the gentleman, brilliant attorney that he is, he will admit that the words "on the record" being in there certainly do not detract from the fact that the full record shall be the basis of the decision of the Court. That is all anybody is seeking, that is all anybody asks. I think it is a fundamental right of Americans. The matter was debated for parts of two sessions in the committee, and the overwhelming majority of the committee after study, after having exhaustive hearings, after listening to the testimony, decided this should be put in.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. BENTLEY. I do not think any of us want to withhold from the courts all the information upon which determination of the Department of State with respect to passport application is based,

but some of us have serious and legitimate views as to whether all information regarding the passport applicant should be spread upon the public records, regardless of where it comes from.

Mr. HAYS. I do not believe the gentleman was here yesterday. If I am wrong he may correct me. But he has read the RECORD because he is a careful student of whatever amendments he offers. He was at the hearings on the bill and I think the thing was made crystal clear yesterday when I quoted from an editorial appearing in the New York Times, stating, substantially, that you cannot deny a person a passport because you do not like the color of his hair. The editorial said further that if the Secretary of State has evidence he will have to trot it out.

I think that is fair enough. I do not like this idea of whispering about somebody, having someone say it is reported, or that it is rumored, or we have secret information. This is a serious business. If you deny a person a passport and it is sustained, you have blighted his character. Maybe it needs to be blighted. I do not say it should not be. But I do not think it should be done lightly, I do not think it should be done frivolously, and I think these words in there protect his rights to have his character cleared if it does not deserve a smudge.

Mr. WALTER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. WALTER: On page 3, line 23, after the word "review" insert a period and strike out the balance of lines 23 and 24.

Mr. WALTER. Mr. Chairman, we have a great body of law on the administrative side that has been built up over a period of years. Starting with the turn of the century we developed the theory that the decision of an Administrator would not stand if that decision was capricious or arbitrary. Recently we enacted the Administrative Procedure Act in which we wrote the rule requiring substantial evidence to support a finding. We adopted the rule that was laid down in the case of Consolidated Edison Co. against National Labor Relations Board where the Court held there must be more than a mere scintilla of evidence.

In the Administrative Procedure Act we stipulate that this law shall be applicable unless it is specifically repealed. There is nothing in this statute that specifically repeals the provisions of the Administrative Procedure Act. So that if we insert a period after the word "review" and strike the rest of the sentence, which would make it read "A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review," it means in the U.S. courts. Where else could there be a review of a decision of an administrative agency?

A review of what? A review of the record. Now, that record must contain substantial evidence to justify a finding that it would not be in the interest of the United States to issue a passport.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, the gentleman, as I have pointed out, knows a lot more about the law than I do. But, if what the gentleman says is true and all of this is guaranteed without the words in, then what is wrong with leaving the words in?

Mr. WALTER. Because I do not know what those words mean, actually, and I certainly do not think that we ought to do anything here that would disturb this great mass of administrative precedents that we have followed for so many years.

Mr. HAYS. Mr. Chairman, if the gentleman will yield further, the gentleman certainly knows what the words "in the District Court of the United States" mean, because he has already said, "Where else would you go?" and those words might be superfluous. The crux of the matter is that the gentleman says he does not know what the words "of the record" mean, but he went in his statement far enough to say that it meant of the record made on the hearing where the passport is denied. Now, that is all it is, is it not?

Mr. WALTER. It should be "of the record" not "on the record." Of course "on the record" means nothing, but "of the record" is language that, of course, is understood when there is an appeal taken from the finding of an administrative agency.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Oregon.

Mr. PORTER. What is being reviewed? Now, there will be a hearing before the agency, but there is nothing in this bill that says there will be a fair hearing in the sense of a hearing with due process of law, which would require an opportunity to be heard and cross-examine the witnesses and all of the other things.

Mr. WALTER. Well, I would hate to think that an officer of the Government would not give a citizen of the Government a fair hearing.

Mr. PORTER. As the Supreme Court requires; in other words, a hearing with due process of law, is that the gentleman's understanding?

Mr. WALTER. Of course.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. On the question of whether we are right in using the words "judicial review" do we mean review on appeal or do we mean review of the record, looking at it de novo?

Mr. WALTER. Of course, it would not be a hearing de novo. The appeal under the provisions of the APA is from the findings to the United States Court. That is the well-known procedure, and I do not think we ought to depart from those procedures certainly by using this very nebulous language.

Mr. FULTON. Why do we not do this? Why do we not put it under this act?

Mr. HAYS. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I do not believe I will need to use 5 minutes, because actually the same argument that I used against the Bentley amendment is applicable to the substitute. But, I would like to reiterate one point I made. The gist of the argument of the distinguished gentleman from Pennsylvania was that these words are unnecessary. That is what he based his case on. Now, I am not sure whether they are unnecessary or not, but it certainly will not hurt anything by having them in there, because it makes the intent of the committee and the Congress perfectly clear. Now, why were they put in? Let me give you a little history of this, because those who are not members of the Committee on Foreign Affairs, may not be aware of this. When the Department of State first came up last year they asked for legislation which would permit them to deny a passport, and then they asked that if the person denied the passport took his case into court, would permit them to write a letter to the court and say, "The reasons we denied this are so sensitive that we cannot divulge them in court, and you will have to accept this." The law they wanted was to the effect, therefore, that the court decision would have to be on a certification from the Department of State. Now, I cannot conceive of too many people in the Congress wanting that. I asked the security secretary this question: I said, "Then, under your legislation, if I am critical on the floor of the House of some policy of the Department of State—" and remember, this could be under any kind of an administration, Republican or Democratic—"you could deny a passport and you could certify to the court that you did not want to come into court and give your reasons." He said, "Well, of course, we would not be capricious. We would not do that kind of thing." I said, "Now, it is not what you would or would not do. Could you do it?" And his answer was, "Well, yes, we could do it."

That is why the committee labored and perspired and worked and talked and came up with these words "on the record" to be sure that there would not be any capriciousness.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. COFFIN. Is it not also true that there was a good deal of discussion as to various kinds of judicial review; whether the evidence would be on both a closed and open record, whether it would be considered in camera or considered not in camera, so that this phrase was deemed necessary by the committee this year, just as it was in the legislation which passed this body last year?

Mr. HAYS. The gentleman is exactly right. And I will say further that under the language as it is now written a man who is a known Communist and whose purpose in traveling abroad is to harm or destroy or embarrass the foreign policy of the United States, under this legislation could be denied a passport, and it could be sustained in the courts.

I ask that both amendments be defeated.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BENTLEY. I should like to read from page 18449 of the RECORD where the gentleman from Ohio said the following. He said "that the record shall be complete and that the accused shall have the right to know who his accusers are, and he shall have the right to see the record on which the Secretary made his determination."

Would the gentleman carry that interpretation to the point where if a man's accusers happened to be secret sources in this Government or foreign friendly governments he would still demand that the accused have the right to know who they were?

Mr. HAYS. If the State Department could not convince the court without using that then I think the court would have the right to know that, absolutely.

Mr. BENTLEY. Would the accused have the right to know it?

Mr. HAYS. The court would determine that. I do not know what the court would decide in that case. But he would have to present the evidence and the court would decide.

Mr. BENTLEY. The gentleman used the words "on the record."

Mr. HAYS. My words yesterday mean what they say, that if the matter were presented to the court and they could not make their case, then they would have to confront him.

Mr. BENTLEY. I am trying to ask the gentleman whether the gentleman's phrase means that any evidence furnished the court has to be spread on the record for the benefit of the accused.

Mr. HAYS. If they cannot make their case without it; they will have to decide whether they can make their case with or without it.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. MEYER. Is it not also true that if these three words were not in the bill it is quite probable that the committee would not have voted it out?

Mr. HAYS. I think that is a fair statement; yes.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support the committee and hope that section 8 will remain intact. I am opposed to the amendment and the substitute amendment.

If I know anything about the history of this bill—I know a little about it, although I did not attend the executive sessions of the committee—I believe the committee was striving to have this bill impervious to the charge of its being unconstitutional.

We have to go back to the case of Kent against Dulles where the court said:

> The right to travel is a part of the liberty of which the citizen cannot be deprived without the due process of law of the fifth amendment.

I take it that the purpose of the words "on the record in the district courts of the United States" in lines 23 and 24 on page 3 of the bill and the word "hearing" in page 3, line 17 was to insure due process without which you would be back where you started and the act undoubtedly would be declared unconstitutional by the Supreme Court when the case reached it.

The Court also said very significantly:

> The right of exit is a personal right included within the word "liberty" as used in the fifth amendment. If that "liberty" is to be regulated, it must be pursuant to the lawmaking functions of the Congress.
>
> And if that power is delegated, the standards must be adequate to pass scrutiny by the accepted tests.
>
> Where activities of enjoyment, natural and often necessary to the well-being of an American citizen, such as travel, are involved, we will construe narrowly all delegated powers that curtail or dilute them.

Meaning those rights.

And since the Court will construe narrowly, if you take out the words "on the record in the district courts of the United States" there is a grave question in my own mind as to whether or not the Court would not throw this law out, if the bill passes, on the ground that it did not meet the due process test.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BENTLEY. From the gentleman's remarks of yesterday I got the impression that he thought the words "on the record" were very difficult of interpretation and very vague and he went further and said he did not believe as the bill was presently written that it would satisfy the due process; is that correct?

Mr. CELLER. I admit that the language here is very, very vague. I would not have drawn the bill this way. It could be greatly improved upon. But, if you strike out the words "on the record" then you have something which does not meet the test of procedural due process. Therefore, I think it is quite essential that you preserve the words "on the record in the district courts of the United States."

Mr. BENTLEY. Mr. Chairman, I read from the gentleman's remarks where he said, "I cannot conceive how the Supreme Court's demand that there be due process is satisfied by this bill."

Mr. CELLER. I was speaking to the entire bill.

Mr. BENTLEY. Yes.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HAYS. That is exactly, of course, what the gentleman from Michigan wants to do by his amendment, and I give him credit because he is frank enough to say so.

Mr. CELLER. That is why I am opposed to this amendment and why I am opposed to the substitute.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. HAYS. The gentleman had some doubts and the members of the committee yesterday told him what the intent of the committee was. I think his doubts were pretty well resolved, and I just hope that the gentleman from Michigan does not confuse him any further.

Mr. CELLER. I think the debate helped greatly all Members as to what these words mean. They did not satisfy me completely, but I suppose words are bound to mean different things to different people. We cannot avoid that.

Mr. HAYS. We tried very diligently to say what the intent was yesterday, and the gentleman made a contribution, as to that.

Mr. CELLER. I am very happy that the committee has improved upon the bill, particularly with reference to section 8. I hope the amendments do not prevail.

Mr. SELDEN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I yield that time back. I cannot talk in 2 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I have spent some time studying this subject. I testified before the Foreign Relations Committee of the Senate and the Committee on Foreign Affairs of the House, and in each case I made this statement:

> Authority to use confidential information in the administrative process, under unprecise standards coupled with the power to delegate the authority to subordinates, and without full judicial review, can and probably will result in a breeding ground of arbitrariness in the course of which innocent people may, and probably will, suffer.

Mr. Chairman, I am in opposition to these amendments. I support the bill as it stands. I introduced my own bill, which is a middle ground, carefully drafted in some respects, and in some respects I think better than the committee bill. On the other hand, I think the committee bill is surprisingly good. I say surprisingly good because there was such a flood of restrictive proposals following the decisions of the Supreme Court in the Kent, Briehl and Dayton cases that I was fearful legislation would be reported out which would be highly restrictive in its nature. I think the committee is to be applauded in being virtually unanimous, with two or three exceptions, in their support of this bill. I also think Members of the committee did a splendid job on the floor of this Chamber yesterday when they did their utmost to clarify and to establish the legislative history on the subject we are now talking about, the matter of this amendment. In my view, although any number of members in this House may have different ideas from mine on various aspects as to how this problem should be handled, the committee on the whole has done an excellent job.

The right to travel, Mr. Chairman, is one of the most fundamental rights that we have. In my judgment it is a concomitant of, and conjoint with, the first amendment of the Constitution. A denial of a passport may, therefore, result

in violations of both the fifth and first amendments.

This bill, Mr. Chairman, gives to the Secretary of State the authority in this field which he needs. At the same time it provides the necessary safeguards for the rights and freedoms of the individual.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I am against both of the amendments that are pending on the ground that there is too little due process of law in this bill as it is, and this is certainly a very good time to see that there is fairness in the revocation or the denial of a passport.

You will remember I mentioned the "chancellor's foot" which is ancient satirical standard for equity cases. I said that there was a Secretary's foot provided in this bill. I point out to members of the committee that on page 2 at the bottom there is the phrase "be harmful to the security of the United States." I say to you that is a very vague and indefinite standard and that the Secretary could decide it on almost any basis in connection with security and then, therefore, this runs afoul the due process of law that is required by the Kent against Dulles case cited on page 3 of the report. There are not sufficient safeguards in the bill.

Under the paragraph "Area Restrictions" there are no limitations whatsoever. The President is given unlimited discretion to put areas of the world off limits and to allow whomever he pleases to go there. In that part of the bill there are no procedural restrictions whatsoever, but it gives to the President of the United States complete power to say who may go to these areas, and he may keep Members of this body and of the other body from going there if he does not want them to go. To my mind that is an unconscionable and unconstitutional surrender of our powers.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, according to the deliberations of the committee, a majority of the members came to the conclusion that the innocent were entitled to at least as much consideration as the guilty. I know that I, for one, felt that the denial of a passport would attach to the applicant opprobrium synonymous with treason. We felt that we should go into things very carefully before there was such a denial and that was the reason why we spent so much time in trying to determine what was the honest, the decent, and the proper thing to do. That was the reason that last year it was not until the very last week that we were able to reach any agreement on language, and that same language has been carried over until today.

Believe me, it was a considered opinion of the majority of the members of the committee that this language was included. We did not seek advantage for anyone, we just felt that that language that we had in the bill was language that could be understood by the State Department as well as by the court so that there would be justice under law.

Mr. Chairman, I think both amendments should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER] for the 2 minutes.

Mr. COLLIER. Mr. Chairman, I take this time just to say that the question in my mind has since been answered, so I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN] to close the debate.

Mr. SELDEN. Mr. Chairman, I rise in opposition to both the Bentley amendment and the Walter substitute.

Let us assume that the argument of the gentleman from Pennsylvania is correct, that is, the language stricken by the substitute amendment is unnecessary in that under law any administrative decision would be subject to judicial review on the record of the denial, nevertheless it would, I think, be unfortunate legislative history to strike these words from the bill, and I trust that these amendments will not be adopted.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The question was taken, and on a division (demanded by Mr. BENTLEY) there were—ayes 29, noes 98.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was rejected.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY: On page 3, line 24, after the word "record" insert "presented."

Mr. BENTLEY. Mr. Chairman, this amendment is very simple, in that it merely inserts the word "presented" after the words "on the record", so that section 8 would specifically spell out that the record which is being presented to the district courts for judicial review would only be that as presented by the Department of State. In other words, the language of the bill would read as follows:

A denial or revocation of a passport pursuant to section 6 of this Act shall be subject to judicial review on the record presented in the district courts of the United States.

The whole intent of the amendment, Mr. Chairman, is to give the Secretary of State some flexibility in deciding what he shall offer the court insofar as determination of a passport application is concerned.

I would hope the committee would see fit to adopt this one word amendment because I do not believe it would change anything and I think it would spell out a little clearer what the committee members themselves have stated as their actual intent in the use of the word "on the record." By that I mean only the records that would actually be presented in the district courts. I would hope that the committee will accept the amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from New York.

Mr. CELLER. Could that conceivably mean that the Department of State would present only part of the record and withhold another part of the record?

Mr. BENTLEY. Of course it would. In that case the court would decide the case on the basis of the record which the Department actually presented to them.

Mr. CELLER. Under this practice the record which would be harmful to the applicant could be shown and that part of the record which would be helpful to the applicant would be withheld by the State Department?

Mr. BENTLEY. Yes. But I think that the court would have to make a decision on the basis of the evidence presented. I am certain the gentleman who is as anxious for protection of the rights of individuals as anyone would not insist that the Secretary of State send up sources of confidential information for the purpose of the court.

Mr. CELLER. What good would a record be if the Department of State could determine what shall go in the record and what shall not go in the record to go to the court?

Mr. BENTLEY. It would only refer to that part of the record which the administrative decision was based on.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Ohio.

Mr. HAYS. What the gentleman is trying to get at is this: He is trying to keep from forcing the Secretary of State to bring in a witness it does not want to. You cannot force him to do that anyway. In other words, if the Secretary of State does not want to present that evidence he does not have to and will probably lose his case. But he does not have to. By putting in this word you are cluttering up the intention, and you might even get into the absurd position that the gentleman from New York has described where you could send up derogatory information and hold back the other. You cannot make the Secretary of State present any testimony. His alternative he just loses the case and the fellow gets the passport.

Mr. BENTLEY. If the gentleman will permit me to continue, on that basis you cannot force the Secretary of State to send up any information he does not want to now.

Mr. HAYS. That is exactly what we are saying. Therefore, the gentleman's amendment is not necessary and it might lead to implications we do not want in the bill.

Mr. BENTLEY. I do not think so.

Mr. JACKSON. Mr. Chairman, I move to strike the requisite number of words.

I want to direct an inquiry to the author of the amendment and also to the chairman of the committee. I would like to know what the situation would be under the provisions of the bill as presently written if an individual known to the CIA or the Federal Bureau of Investiga-

tion to be a courier for the Communist Party makes application for a passport. I am assuming the the security agency involved knows a great deal about a group of Communist couriers of which the applicant is one. In developing the case the agency does not want at this time, or at the time of the application, to make public the information on the activities of the individual couriers. Under the bill as presently written would the Department of State, failing to send all of the information and conceivably making it available to the accused himself, be under the obligation to issue a passport?

Mr. BENTLEY. It would.

Mr. JACKSON. May I direct a question to the chairman of the committee or to the gentleman from Florida? Would that be the case under the circumstances I have outlined?

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, if the Department was not able to make a case which met the requirements of this law on the record then, conceivably, on judicial review, they would be overruled if they denied the man a passport. That is the answer to the gentleman's question. But, there is nothing mandatory, if I may complete my statement, which would require the production of witnesses, documents, or anything else.

Mr. JACKSON. But upon refusal of the Secretary of State to issue the passport requested, that would not be true?

Mr. FASCELL. If he does not have evidence sufficient to meet the requirements of the law.

Mr. JACKSON. Assuming that he has the evidence. He has the evidence in front of him. I ask this not in a contentious spirit. I am trying to get an important point straightened out. Assuming there is evidence, abundant evidence, which has been furnished by the security agency and which deals with a widespread operation. For some good reason it is not desired to place the individual under arrest at the time, but rather continue surveillance of his activities, and that of others. The Secretary of State says to the Communist applicant "You are not going to get a passport," and the applicant seeks and obtains a judicial review. At this stage is the Secretary of State forced under the provisions of the bill to furnish the information which has been developed to the court?

Mr. FASCELL. He is not.

Mr. JACKSON. He is not?

Mr. FASCELL. No. He is not required to present the information.

Mr. BENTLEY. Then he has to issue a passport, though.

Mr. FASCELL. If there is no other evidence on the record which meets the requirements of the law, then conceivably he could be overruled.

Mr. JACKSON. I think the crux of the whole matter, as I see it, is in this point. Cases have occurred where it is not in the national interest of the United States to issue a passport, and at the same time the evidence, which may be far-reaching, should not be spread upon the public record.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman is right in saying this is the crux of the matter. The Secretary has got to weigh which is the greater danger to the United States: to allow a court to overthrow the administrative denial and order the passport issued because the Secretary has not given the court all the information he has, or to give all the information and thereby reveal important sources or channels of securing information. Which would be more dangerous to our security? Now, we recognize this is a loophole and that this bill will not stop all dangerous Communists from getting passports. But the bill protects the rights and reputation of every innocent citizen and we think it will stop a lot of dangerous Communists from getting passports. Furthermore we believe that a good many more will not apply for passports under this law because they cannot be sure what evidence the FBI and the State Department have on them and might reveal to the court and the public. Still more will hesitate to ask for a judicial review, because, knowing their own guilt, they will not want the Department to put on the record the information about them which they fear it may have. Thus it will deter applications of some as well as deny them to others. The desired end of preventing their misuse of passports to injure the security of our country will be achieved in either case.

Mr. JACKSON. I take this time because I think this point is very important. I think it is a point that is not entirely clear to all the Members of the House.

Mr. ADAIR. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that this is illustrative of the fact that the committee did lean over backward in its efforts to protect the rights of the individual.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The amendment was rejected.

Mr. JUDD. Mr. Chairman, I move to strike out the last word, just to have a brief colloquy with my colleague on the committee, the distinguished gentleman from Maine [Mr. COFFIN]. I have spoken to him about this, because part of one statement he made yesterday, appearing in the RECORD on page 18451, should not, I think, be left without some amplification. It might give the courts a wrong impression as to the intent of the Congress, whereas I know that was not the gentleman's intention. He said:

> The State Department, when challenged, would have to divulge all of its information or none.

Now, I believe the gentleman is in agreement with what the gentleman from Ohio said yesterday in another place:

> He shall have the right to see the record on which the Secretary made his determination.

I am sure that is what the gentleman from Maine meant, that the Secretary will have to divulge not necessarily all the information he has, but all of the information on which he made his determination. In the man's file there may be mere gossip, or all sorts of unreliable derogatory material that came from whatever enemy or crackpot in the land. But such material was not the basis on which the Secretary made his determination that the person's activities or presence would be harmful to the Nation's security. He must reveal on judicial review the information he had which he considered valid and reliable and substantial, and on which he based his determination. Is that not the intent of the bill as the gentleman understands it?

Mr. COFFIN. Mr. Chairman, if the gentleman will yield, that is correct. The Secretary has to choose his ammunition to make his case. He has to elect from that material. He has no choice, however, but that between submitting to the court all of the evidence which constitutes the basis for the denial, or, if this would involve the revealing of critical data to the prejudice of future investigatory work, issuing the passport.

Mr. JUDD. I thank the gentlemen, because he is a very precise lawyer and a very influential Member of the Congress and I would not want his remark to stand as it appeared in the RECORD yesterday.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HAYS. I should like to concur in that. I think we have tried to make it very clear that the Secretary is to send up only the information in the hearing and that the decision shall be based on that record.

Mr. JUDD. That is right.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BENTLEY. As long as we are clarifying the intent of members of the committee, I should like to ask the gentleman from Illinois [Mr. O'HARA], when he said yesterday that nothing shall be withheld from the court, if his interpretation is the same as that of the gentleman from Maine?

Mr. JUDD. I should be glad to yield to the distinguished gentleman from Illinois for that purpose. I am sure the gentleman from Illinois had exactly the same thing in mind as did the gentleman from Ohio and the gentleman from Maine; is that not correct?

Mr. O'HARA of Illinois. Do I understand the gentleman is now yielding to me to answer the question?

Mr. JUDD. Yes, sir.

Mr. O'HARA of Illinois. What I had in mind in my statement of yesterday is that one who has been denied a passport is in the same position when he is taking his matter up on appeal as is one who had been convicted of a crime or a felony and who is carrying that matter up on appeal. That, briefly, is what I intended to convey and I did, as I understand it.

Mr. JUDD. I thank the gentleman.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am just a little amazed over this legislation. I intend to support this legislation but I do it with the frank realization that it is just a little better than nothing.

I am not content to fail to express myself as a lawyer and as a citizen concerning the situation we find ourselves in.

Mr. Chairman, one of the most unfortunate things that has happened in our country was the decision of the United States Supreme Court regarding the school segregation cases in 1954, because since that time it has caused so many good people to crawl in their shell and fail to realize the impact of the many Supreme Court decisions such as the Kent Passport case, which are utterly destroying all of the landmarks in this country. The truth is that the Kent against Dulles case, which was just referred to by the gentleman from New York, is one of those 5 to 4 decisions, and one of those men, the five men on that Court constituting the majority, destroyed every landmark in all of the law and all of the custom that had existed in this country from the very foundation up to that time, so far as passport law is concerned.

In the War Between the States the President had the right to deny passports and he has got it now. In World War I he had the right and he has got it now. President Wilson laid down the rule—and I do not see how any honest man could object to it—that a passport would be denied unless the person could prove that his travel would not prejudice the interests of this country.

This is a newfangled thing, this fool idea that you have got the right to travel anywhere and at all times, whether you are a Communist, or whether you want to strike at the vitals and want to destroy the country to which you owe your duty and your obligations and even your life.

I am amazed. You appropriate $40 billion for defense against communism and here you are taking up all of this time on this bill. Will you tell me whom you are defending? Do you think you are defending some really good Americans? Who do you think is going to be interfered with by legislation of this kind? It is the Kents, it is the Paul Robesons, it is the Communists, it is those who want to destroy us. They are not real loyal citizens.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield to the gentleman.

Mr. HAYS. You are asking whom we want to protect. I will say to the gentleman that there was an amendment offered in committee—at least someone said he was about to offer it—to include along with Communists, members of the White Citizens Councils, and I fought that amendment.

Mr. FORRESTER. I will tell you this. It was good that you did. The White Citizens Councils are mighty honorable men and you are going to thank God for them before this thing is over. I am tired of these pseudo-Americans. I am tired of these persons of dual citizenship.

You are either an American or you are not an American. I am tired of the people who are so solicitous of Communists.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. PORTER. Is the gentleman afraid that the foreign policy of the United States will be destroyed or hurt severely by what Communists or their supporters will say overseas any more than they can hurt us here in the United States by the exercise of their right of free speech?

Mr. FORRESTER. It is not a question of being afraid. Let me tell you something. You say a Congressman has the right to go to Russia. I say you have no such right if the President does not want you to go. I will tell you another thing. Thank God that such a principle or idea did not exist during World War I when I was in the Army as a private soldier because it might have been, if you had let them—this trash trying to go—go over there then, that I might not be here today and I might not be a Congressman today. I say you have no business over there. I do not want to go. I love this country so well, I never want to go over there. I am talking for keeps now. I will tell you another thing. You can go ahead and make weak laws, but thank God under the Constitution, the President of the United States has the right to defend this country, and if you will not defend it, I hope to God he will. The right to protect is an act of sovereignty, and you cannot take it away from him. I do not think you will get a President from down my way in my lifetime, but regardless, I will be with him every step of the way in trying to defend America.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HAYS. Mr. Chairman, I said I would try to get the gentleman some more time, and if his cerebral continuity has not been interfered with too much and he can get back into high gear, I ask unanimous consent that he be given 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FORRESTER. Mr. Chairman, I appreciate that. I am always glad to get in high gear for my country. There are three things I never will be ashamed of. They are, the country I live in, the church I belong to; and the woman I married. I will defend them any time and any place.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FORRESTER. I yield.

Mr. PORTER. I thought the gentleman had really made his point. But I did want to ask him if he thought, as a Member of the Congress, we had a duty to get all the facts we can before we make important decisions having to do with freedom and peace. Does the gentleman believe that?

Mr. FORRESTER. So far as a Congressman having the right to go to Russia, I think that statement is absolutely ridiculous—if you want to know what I honestly think.

Mr. MEYER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 1, line 5, strike out section 5, the entire section running to line 16 on page 2.

Mr. MEYER. Mr. Chairman, it would be a lot easier for me to sit down and not say anything. I do realize that my committee tried to come out with a good bill. I think in many ways they did. However, I feel we have been pushed by the claim of urgency and to a certain extent we have been panicked. Whereas this section has much in it that is true, and I believe that almost all of it is true, I do not believe it is a good section. I recall vividly the words of Thomas Jefferson when he, more or less, said that he had sworn eternal hostility to all forms of tyranny over the minds of men. I think if we are to join with Thomas Jefferson in swearing hostility to foreign tyranny, we must also swear hostility to tyranny here at home. There are dangers in this bill that can lead to tyranny.

I offered a couple of amendments when we were talking about this bill in the committee, and I feel that if we are going to be consistent and write a bill that specifically points to the Communist Party—and I assure you I am as much against it as anyone else—that if we are going to do a thing against a party that has not been outlawed and probably get into a situation where we are violating the Constitution, we might as well be consistent. We might as well say we are opposed to all groups, Communists, Fascists, or subversives of any kind. If we are going to do it we should do it and not beat around the bush. Therefore I think the language in this particular section is somewhat faulty in a constitutional sense.

We have already seen one of the motivating forces behind the drive to get a passport bill; I do not mean that it is the main one, but it is a contributory one. This is an attempt to strike again at the Supreme Court of the United States just because the Supreme Court does something some people perhaps do not agree with.

There was an editorial in a New York paper which was read in part. It all depends on how you read the editorial and how you want to read it. It is dated September 6:

The House Foreign Affairs Committee has passed a bill that would in some respects override last year's Supreme Court decision that the Secretary of State was not authorized to deny passports because of an applicant's associations or beliefs.

Then it goes on to say—depending on how you read, or how you think the editors intended it:

It is pleasant to note that under the bill's terms the Secretary of State may not deny a passport to any individual because of adherence to unpopular views or criticisms of the United States or its domestic or foreign policies.

That is a mild form of sarcasm or a general irony.

In regard to section 5 there was a time in our history when we could just as well have said about American citizens that if they sympathized with the British that they in turn would have been

somewhat like the Communists today, because the whole language of this section hinges around the word "security" and the British could have been said "in every way to be trying to thwart the United States policy," and so forth.

So I ask you, Why do we not try to use existing laws, rather than putting this type of language into the bill? Get the Communists or any people who are subverting our form of Government; put them in jail, if we can; handle them in whatever way we can under constitutional law, and try not to write provisions of this type.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I shall be glad to yield if I have time to my distinguished colleague from Florida [Mr. FASCELL], because I wanted to say some very complimentary words about him. I appreciate the kindness of the members of the Committee in permitting me this privilege of speaking against this amendment, because I am against it and I am for this bill.

I want sincerely to thank the members of this great Committee on Foreign Affairs for dealing with a very troublesome problem. I wanted to have just a few minutes because last year on July 21, Mr. Chairman, I had a special order, the second time I have asked for a special order in the House. I appealed to the House to consider passport legislation. I could not see then as I cannot see now how we can with one hand spend millions of dollars on the Voice of America on friendly propaganda, let us say, for our beloved country, and with the other hand we push traitors and Communists and plead with them to go abroad and allow them to have the advantages of forums about which we know not to spread their insidious misinformation about this land that we love.

And I tell you another thing, Mr. Chairman, that concerns me, and that is the 9,000 boys of America who each month come from the fields and the factories in the service of our beloved country; and then with another accent on our voice we say to the fellow travelers that although they have no sense of responsibility to America it is all right for them to go abroad and preach all kinds of false information.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I want to yield to the gentleman from Oregon because perhaps I can give him some information.

Mr. PORTER. I want to ask the gentleman if he does not believe that these people should have the right to spread their insidious propaganda in foreign lands? Does the gentleman also support legislation to stop them from spreading their insidious propaganda in the United States of America?

Mr. MATTHEWS. No, sir; I do not believe these people should have the right to spread their insidious propaganda in foreign lands because this is the difference, let me say to the gentleman. If you would give these Communists who travel abroad an opportunity to spread their propaganda where we have an opportunity to control it, where they do not have the privilege to spread their propaganda to all people, but just to a selected few who might be given to them for an audience, I think I would go along with the gentleman. Let us have the same rules of communication as we have in America. Is the gentleman so naive as to think for 1 minute that he could travel abroad and get before any forum other than the forum that the Communists wanted him to appear before?

Let me ask the gentleman that question.

Mr. PORTER. I do not know how naive I am, but I do believe that our Government is far enough advanced, our traditions are strong enough, so that we can allow these people to talk any place in the world and I do not think it will hurt our foreign policy and our basic traditions.

Mr. MATTHEWS. That is where the gentleman and I disagree 100 percent. My point of view is they are members of the international Communist conspiracy. This Government has declared the international Communist conspiracy as dedicated to the overthrow of our form of government. When they travel under this conspiracy or observe that conspiracy, I think it is something a little different from a friendly debate here on the floor of the House.

I want to say to the gentleman that I respect him. I do not intend this in any mean sense at all, but I just feel very deeply about this particular proposition.

Mr. PORTER. From discussion comes wisdom. Out of world discussion may come a broader kind of wisdom. Should we try to stultify discussion on a worldwide scale, even though we are handicapped, and undoubtedly we are, outside of the United States?

Mr. MATTHEWS. My answer to the gentleman is if the rules for communications were the same, this would be a different matter. We enjoyed seeing on TV the Vice President of the United States over in Russia when he was talking to Khrushchev. Perhaps Mr. Stevenson, or Mr. Kennedy, or Mr. Johnson could have done a better job. But I think the Vice President did a good job. How many people do you think in Russia saw that particular program? Do you think for one moment they had the same communications in Russia that we have here in the United States? Let me say to the gentleman that the forum in Russia was limited, the forum was motivated by only one reason and that reason was, What is best for Communist Russia?

Mr. ADAIR. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the amendment offered by the gentleman from Vermont if adopted would strike from the bill statements concerning the danger of communism. This House, and indeed both Houses of Congress, have on a number of occasions indicated an awareness of the dangers of communistic philosophy. This is simply restating, in connection with this legislation, the feeling of the House in this respect. Furthermore, that wording points out dangers that exist if we permit Communist couriers and agents to have United States passports and to travel freely. This is a basic and important part of this legislation. It should by all means remain in, and the amendment should be defeated.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Florida.

Mr. FASCELL. Will the gentleman not admit that the findings in section 5 are the framework within which the findings of section 6 are required to be made, and it is so stated in the language of the bill?

Mr. ADAIR. That is correct.

Mr. FASCELL. Therefore, if we strike out section 5, you would not have 6 delineated in the framework under which the finding in section 6 should be made?

Mr. ADAIR. Yes.

Mr. FASCELL. Therefore, is not the gentleman from Vermont as proponent of the amendment defeating the very argument which he has made?

Mr. ADAIR. I think that is true.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Vermont.

Mr. MEYER. Is it not true, then, if this argument is correct, and maybe it could be, that we should be consistent and make the language obtain or cover all groups or all people that might be subversive?

Mr. ADAIR. As has been pointed out, I may say to the gentleman, the bill before us does not attempt to meet all questions with respect to passport legislation. We are dealing with a specific problem. Therefore, my answer to the gentleman is that the wording should be limited to that specific problem.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Oregon.

Mr. PORTER. The gentleman spoke of the couriers and I suppose he means agents. The gentleman knows in the report on page 3 there are several statements to the effect that this bill will not stop it, we cannot stop the travel of these people to South America and other places, they can use forged passports. It is wrong to give the impression that this legislation will stop couriers and agents, even substantially.

Mr. ADAIR. No responsible speaker on behalf of this legislation has said that.

Mr. PORTER. The report says it.

Mr. ADAIR. We do not say it will stop all of it. I am sorry we cannot give that assurance. But we do have here legislation which will take a step in the direction of curtailing this kind of travel and that is all we indicate this bill does. It is a measure of control.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. HAYS. It may not stop them, but it will slow them down. Nobody has ever said it will stop them, but it will make them go to lengths they do not have to go to now.

Mr. ADAIR. The gentleman is correct, and that is pointed out in detail in our report.

Mr. RIVERS of South Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if there was ever need for legislation to change a decision of the Supreme Court of the United States, it is now. This Court will go down in history as the most criticized since the dawn of this Republic. It has been the greatest force on earth in communism's progress in America. It has been a haven of refuge for the missionaries from Moscow. Mr. Speaker, since Earl Warren took the oath of office as Chief Justice, there has been a fantastic total of 39 cases dealing with communism. In all but nine of these cases verdicts have been rendered in favor of the Communists; verdicts have been rendered against the Departments of State and Justice, the Federal Bureau of Investigation, congressional committees, U.S. district and circuit courts, and the several States. It is inconceivable that everybody has been wrong except the Supreme Court and the Communists. That is the record. One of these cases caused the President of the United States to come screaming to Congress on July 7, 1958, urging us to pass legislation giving our Government power to deny passports "where their possession would seriously impair the conduct of the foreign relations of the United States or would be inimical to the security of the United States." The President also said the Secretary of State should be given "clear statutory authority to prevent Americans from using passports for travel to areas where there is no means of protecting them, or where their presence would conflict with our foreign-policy objectives or be inimical to the security of the United States." The President said he wished to emphasize the urgency of enacting such legislation.

Of course, the President is right, and legislation of this nature should be promptly enacted as an emergency measure.

The case in question involved Rockwell Kent. Kent applied for a passport to attend the World Council of Peace in Helsinki, Finland. The State Department knew all about Rockwell Kent. He had sponsored the Paris meeting of April 1949 and was a member of a delegation of the World Peace Congress which was accorded high official Soviet honors when it arrived on March 5, 1950. On this occasion Rockwell Kent spoke as follows:

> I must tell you that I am not an official representative of the American Government. To be quite honest I must declare that the present Government of America is not my Government and does not represent me.

The official organ of the World Peace Congress is a publication, In Defense of Peace. In the issue of In Defense of Peace for April 1950, page 1, Rockwell Kent is shown in a photograph attending a meeting of the World Peace Congress in Stockholm, March 15–19, 1950, in company with the Soviet whip of the Congress, writer Alexander Fadayev, who enjoyed the blessings of the Soviet system so intensely that he recently committed suicide.

The purposes of these world peace congresses and committees are clearly laid down in the Cominform—previously the Communist International—journal, For a Lasting Peace, for a People's Democracy for December 8, 1950, which declares that the Congress "will ruthlessly expose the warmongers, the aggressive foreign policy and reactionary home policy of the United States, the criminal war waged by the United States against Korea and its aggressive adventures against the Chinese People's Republic."

Bryn J. Hovde, an American scholar, who was roped into attending the Wroclaw meeting, has characterized the proceedings as follows:

> Every speech insulting the United States and glorifying the Soviets was wildly applauded. * * * After the first speech by the Soviet novelist, Fadayev, a speech which for vituperation was never excelled and which set the tone for the Congress.

At the Paris meeting in the spring of 1949, its Soviet Commissar Alexander Fadayev clearly described the Congress' attitude toward the nations within the Atlantic Defense Pact, including of course the United States. He said:

> We, the peoples of the world, shall punish you severely.

He lambasted the United States for its "feverish armament drive" and simultaneously lauded "our great Soviet country."

The Supreme Court knew all this, or at least could have known it and should have known it. But the Court's opinion does not show any such knowledge. The Court simply said Kent wanted to attend the World Council of Peace. Not a word, not even a footnote, to show the Court knew this was a Communist-manipulated gathering for world propaganda purposes.

Now, what kind of American is Rockwell Kent? From the time in 1933 that Rockwell Kent contributed $800 to the Communist Party, local arm of the Soviet international conspiracy, to the present, he has been unflagging and outspoken, in his devotion to the cause of the Soviet Union. When he appeared before the Senate Subcommittee on Government Operations on July 1, 1953, he was asked whether he was a member of the Communist Party. In reply he invoked the protection of the fifth amendment in refusing to answer. But time and again he has given public evidence of his allegiance to that subversive organization in coming out for the defense of its outstanding conspirators such as Earl Browder, William Weiner, Jacob Mindel, and the Communist leaders indicted and convicted under the Smith Act. During the infamous Stalin-Hitler pact, he joined in denouncing American war hysteria and was an honored official of the American peace mobilization which picketed the White House. After Hitler's attack on the Soviet Union, he suddenly executed an about-face and contributed his skill as an artist to the Calendar for Victory in 1942. Small wonder, then, that he has been highly acclaimed in the Soviet Union where his works have been prominently exhibited.

So terrible was this 5 to 4 decision by the Supreme Court that Mr. Justice Clark in writing the dissenting opinion said:

> But the Court then determines (1) that the Secretary's denial of passports in peacetime extended to only two categories of cases, those involving allegiance and those involving criminal activity, and (2) that the Secretary's wartime exercise of his discretion, while admittedly more restrictive, has no relevance to the practice which Congress can be said to have approved in 1952. Since the present denials do not involve grounds either of allegiance or criminal activity, the Court concludes that they were beyond the pale of congressional authorization. Both of the propositions set out above are vital to the Court's final conclusion. Neither of them has any validity: the first is contrary to fact, and the second to commonsense.

In other words, the dissenting opinion charged the Court with writing a false opinion. I know of nothing stronger one Justice could say about another.

This bill gives the President, through his Secretary of State, the power to question men of ill will like Robeson, Kent, Walter Briehl, Bridges, and the legion of other Communists and Communist sympathizers from giving aid and comfort to our enemies and misleading innocent peoples of the earth of the peaceful intentions of this Nation. If this bill is enacted, the Secretary can make an applicant for a passport put up or shut up. What less should be expected?

Mr. SELDEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the bill close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. PORTER. I object, Mr. Chairman.

Mr. SELDEN. Mr. Chairman, I move that all debate on this amendment and all other amendments to the bill close in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. SELDEN) there were—ayes 60, noes 92.

So the motion was not agreed to.

Mr. BENTLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments to the pending bill close in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Vermont.

Mr. HAYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAYS. I ask unanimous consent that the amendment be again reported so that we will know what we are voting on.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Vermont.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MEYER: On page 1, line 5, strike out section 5 (the entire section) running to line 16 on page 2.

The question was taken; and on a division (demanded by Mr. JACKSON) there were—ayes 5, noes 124.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, in the closing few remarks I say that, I just hope that the good, which we hope can come from this bill, will materialize and that we will not be coming much closer to a police state. I, in my own mind, am sure that we are indeed coming that much closer to the police state. That is why I have fought this bill, even though I could see some good in it. If I am wrong, I will be very happy to be wrong. If I am right, then it will be too late anyhow.

Mr. Chairman, I believe most sincerely in what I have said to you. I believe that some day you all may realize this yourselves and that you will turn back.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, on this bill a Member should ask himself three questions:

First. Are you afraid of what our citizens can say abroad?

Second. Do you want to give the President unlimited power to say who can go to particular areas in the world?

Third. Do you want to be limited, as a Member of Congress, in your power to get facts that you need for the vital decisions you must make?

Mr. Chairman, I have an amendment at the Clerk's desk that I would like to have considered. It eliminates title II, which has to do with unlimited power to the President to declare certain areas of the world off limits with such exceptions as he may determine, again with unlimited discretion.

The CHAIRMAN. Does the gentleman from Oregon offer an amendment?

Mr. PORTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oregon [Mr. PORTER].

The Clerk read as follows:

Amendment offered by Mr. PORTER: On page 4, line 8, strike out all of title II through line 18, on page 5.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, in spite of the fact that I think this bill could probably be improved, I think it is a good bill, and I think it is a sizable step in the right direction. I urge support of the bill. I hope there is a rollcall vote forthcoming.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BENTLEY. Mr. Chairman, the Clerk, I believe, has not yet read section 2; is that correct?

The CHAIRMAN. That is correct.

Mr. BENTLEY. I thank the Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, I have at the desk an amendment which has the approval of the chairman of the committee, the sponsor of the bill [Mr. SELDEN], and I thing a good many other Members. It is at the top of page 3 and would strike out lines 1 through 5 and would put in these words:

The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization or association with any individual or group.

That leaves in substantially lines 1, 2, and 3, and we avoid the implication that some Members have drawn that we think adherence to unpopular views or criticism of the United States or its policies is any evidence for exclusion. We all criticize, we all have unpopular views a dozen times a day, and we do not want the implication put in this bill that it constitutes any reason for a denial of a passport.

The CHAIRMAN. Does the gentleman offer the amendment?

Mr. COFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN: On page 3, strike out lines 1 through 5 and insert in lieu thereof the following: "The Secretary of State shall not deny a passport to any person solely on the basis of membership in any organization or association with any individual or group."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. COFFIN].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I am delighted at the action the Committee has just taken. Certainly, there should never come a time when the holding of unpopular views or the expression of criticism on the part of any American citizen as to our domestic policy should be considered as in any way something that is not within the inherent right of that individual. Mr. Chairman, I am delighted that the gentleman from Maine has offered this amendment. I hope the legislative history will clearly show that such views or criticisms cannot be held by the Department of State in any way to be a detrimental matter concerning any individual citizen of our country.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I feel that the Committee on Foreign Affairs, and today the House sitting as the Committee of the Whole, have functioned in the spirit truly symbolic of our democracy. There has been concession, there has been acceptance, and there has been the resolving of differences in reason and in tolerance, and a meeting of all minds in the making of a measure that in its entirety pleases no one but is acceptable to all. I feel very happy and proud that I am a member of the Foreign Affairs Committee and of this body.

In the debate yesterday and today, and there have been no discordant voices, we have established beyond any doubt whatsoever that the House of Representatives in passing the bill under consideration is denying to the Department of State the power to refuse a passport on secret evidence from undisclosed sources and which in its completeness is not produced for full judicial review when demanded.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I would like to call the attention of the House to the fact that the amendment of the gentleman from Maine does not go far enough. I favored his amendment to cut out as any basis or reason that the Secretary of State should deny a U.S. citizen a passport upon, the following words: adherence to unpopular news, or criticisms of the United States or its domestic or foreign policies. This is clearly an invasion of the liberties guaranteed to each U.S. citizen under the Constitution. I would further strike out the phrase "association with any individual or group," because I do not think that is a valid reason for denying a passport to a U.S. citizen solely on that ground or as a valid reason adding to other reasons, insufficient of themselves in total evidence, without the addition of this guilt by association clause. I strongly oppose this provision of the bill.

May I call the House's attention to line 11 on page 3, the phrase "or supporter of the international Communist movement." I believe under U.S. Supreme Court decisions that merely to be a supporter is not enough—there must be an act or action. I also call the House's attention to the language on page 2 line 18, "any person who is, or has been since January 1, 1956, a member of, or affiliated with, the Communist Party or knowingly engages or has knowingly engaged since January 1, 1951, in activities intended to further the international Communist movement," and so forth. This is much better language as far as statutory draftsmanship is involved.

I believe we must have the word "activities" in the language to stand up in court.

I favor passage of this bill to provide standards for the issuance of U.S. passports to protect our U.S. security.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I think this bill is one that gives to the Secretary of State the powers that are necessary and one that also goes as far as possible in writing a piece of legislation to guarantee the inherent right of the individual under the Constitution of the country.

I support the bill. I think the committee after long labor brought out a bill that the majority of the House can support.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I am strongly in favor of the bill before us, to provide needed standards for the issuance of American passports.

This legislation is long overdue. Since the Kent and Dayton decisions were handed down by the Supreme Court last year, the State Department has had no authority to withhold passports even from persons known to be active Communists, and known to be working against the interests of our Nation.

Surely such a situation should not be permitted to continue even 1 day longer. It will be rectified by the bill before us. That is why I support this legislation, and that is why I hope that it will be enacted into law without delay.

An American passport is not an insignificant piece of paper. It carries with itself the prestige and the protection which our Government provides for its citizens. It also gives the bearer the right to return to our land. I see absolutely no reason for the issuance of such a document, with all of its rights and privileges, to any person who is known to be an active supporter of world communism.

Let us not forget that world communism is dedicated to the overthrow of our system of government. Communists despise our freedoms, our liberties, our way of life. Our Constitution, with its safeguards and protection for the rights of every man, woman, and child, is repugnant to them.

Why should we, therefore, bend over backward and extend the prestige and support of our Government—through the issuance of passports—to known Communists to aid them in their dirty work?

Mr. Chairman, I am in favor of H.R. 9069. I shall continue to support this legislation, and I sincerely hope that the House will approve it overwhelmingly.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, it has been said here that this bill gives the President unlimited power. Of course, that is not so. On the contrary, the bill very carefully spells out that the administration has to make certain specific determinations before it can act, determinations that have to stand up in court, which is a very different thing from unlimited power.

It was also said that this bill is not necessary and is a dangerous bill. On the contrary, confronted with the threat our country faces today this is a very necessary bill; and not to pass it would be exceedingly dangerous. I am sure it will be passed by an overwhelming majority of the House.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I want to commend the committee for doing a very fine job. I differ with it only on one fundamental fact, and that goes to the very basis of my concept of this Government. I think it is one that is historically correct: that the citizens are the sovereign, that the state is the creature of the citizens. I feel at least in part this bill even as it is amended, puts sovereignty into the hands of the state, and in effect we say to the citizen, particularly with respect to title 2, that somehow his rights are less than that. If the sovereign citizen has the right to know that he may exercise his decision, then I do not see that we should give anyone the right to deprive him of the right to know what is going on.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I am sure that the debate yesterday and today has disclosed that here is a bill which has been carefully and thoughtfully studied and worked out. It deserves the support of every Member of Congress, and I hope today that it may have the unanimous support of the Members of the House. It is good legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, the bill before us grants to the Secretary of State the necessary authority to meet a situation that endangers the security of the United States. At the same time, the measure provides ample safeguards for the rights of the individual, including both administrative and judicial review.

I urge the defeat of all pending amendments and the adoption of H.R. 9069.

Mr. DOYLE. Mr. Chairman, the occurrence a few minutes ago wherein the gentleman from Maine [Mr. COFFIN] was instrumental in presenting to this membership the fact that on page 3, beginning at line 3 thereof, the following language: "adherence to unpopular views, or criticisms of the United States or its domestic or foreign policies.", was not appropriate to be continued in the final text which bill I hope will be approved, would make it untimely for me to take further time of the committee to present exactly the same viewpoint of the gentleman from Maine on that very same language. For, Mr. Chairman, adherence to unpopular views should never be improper in any group of American citizens. For, what is unpopular today may be very popular a year from today and vice versa.

Popularity of viewpoint should never be a test of whether or not a passport should issue to an applicant. The popularity of his views, or unpopularity of them, should never be a grounds of judgment by the Secretary of State as to his being entitled to a passport to a foreign country. In fact, dissent and disagreement on viewpoints is basic to arriving at honorable, sound decisions. And in like manner the real essence of sound legislation is constructive criticism of policies and procedures of our own beloved Nation in its domestic or foreign policy, or the administration of its agencies. Let us not be afraid to criticize. But, by saying this I do not mean to state that I am not in sympathy of condemnation of the United States, of its domestic and of its foreign policies such as emanate from the mouths of dedicated Communists and subversives. But, even though criticism comes habitually and systematically and with malice aforethought from their mouths, still these should not be grounds for denying a passport because no doubt we will all recognize that criticism is entirely allowable and constitutional under our constitutional form of government. Thank God it is so. Let us keep it so—forever.

I have often said that I will fight for the right of the man who differs with me to pray as he wishes, think as he wishes, write as he wishes, do as he wishes, providing he does the same within the four corners of the Constitution of the United States of America. By this I mean to say he must do it in accordance with established law.

Mr. REUSS. Mr. Chairman, of course the Executive has inherent power to protect our national security by our passport power, as by its other powers. I would favor legislation, such as that proposed by the gentleman from New York [Mr. CELLER], permitting the Secretary of State to deny a passport where he has reasonable grounds to believe that the applicant, while abroad, will transmit security secrets, or attempt to overthrow the Government of the United States.

But H.R. 9069, the bill before us, is a long way from containing the procedural safeguards which are necessary when we are legislating in the field of the rights of the individual. For example, section 7 authorizes the Secretary of State to require a passport applicant to submit a written statement under oath as to whether he has been "a supporter of the international Communist movement." President Eisenhower, in inviting Khrushchev to visit this country, was doing exactly what Khrushchev and international communism wanted him to do. If this bill became law, and Mr. Eisenhower thereafter applied for a passport and filed an affidavit of nonsupport, does section 7 make him guilty of perjury, and subject to its penalties? If words mean anything, it might. This and other examples of slovenly draftsmanship make it necessary for the appropriate committees to review this legislation before it is presented to the Members.

It has been pointed out during the debate that the other body will not consider this legislation at this session. There is thus plenty of time for the production of a bill that meets the needs of national security, without unduly injuring individual rights.

The Clerk read as follows:

SEC. 2. The first section of the Act of July 3, 1926 (44 Stat. 887; 22 U.S.C. 211a), is amended by striking out "that the Secretary of State may grant and issue passports" and inserting in lieu thereof the following:

"TITLE I—PASSPORTS

"SECTION 1. The Secretary of State may grant and issue passports".

Mr. SELDEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be

agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RILEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9069) to provide standards for the issuance of passports, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation the amendments be agreed to and that the bill as amended do pass.

Mr. SELDEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PORTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 371, nays 18, not voting 46, as follows:

[Roll No. 171]

YEAS—371

Abbitt	Budge	Edmondson
Abernethy	Burdick	Elliott
Adair	Burke, Ky.	Everett
Addonizio	Burke, Mass.	Fallon
Albert	Burleson	Farbstein
Alexander	Bush	Fascell
Allen	Byrne, Pa.	Feighan
Andersen, Minn.	Byrnes, Wis.	Fenton
	Cahill	Fino
Andrews	Cannon	Fisher
Arends	Carnahan	Flood
Ashley	Casey	Flynt
Ashmore	Cederberg	Fogarty
Aspinall	Chamberlain	Foley
Auchincloss	Chelf	Forand
Avery	Chenoweth	Forrester
Ayres	Chiperfield	Fountain
Bailey	Church	Frazier
Baker	Clark	Frelinghuysen
Baldwin	Coad	Friedel
Baring	Coffin	Fulton
Barrett	Cohelan	Gallagher
Barry	Collier	Garmatz
Bass, N.H.	Colmer	Gary
Bass, Tenn	Conte	Gathings
Bates	Cook	Gavin
Becker	Corbert	George
Beckworth	Cramer	Giaimo
Belcher	Cunningham	Glenn
Bennett, Fla.	Curtin	Goodell
Bennett, Mich.	Curtis, Mass.	Granahan
Bentley	Curtis, Mo.	Grant
Berry	Daddario	Gray
Betts	Dague	Green, Pa.
Blatnik	Daniels	Griffin
Boggs	Davis, Ga.	Griffiths
Boland	Davis, Tenn.	Gross
Bolling	Dawson	Gubser
Bolton	Delaney	Hagen
Bonner	Dent	Haley
Bosch	Denton	Halleck
Bow	Derounian	Halpern
Bowles	Devine	Hardy
Boyle	Diggs	Hargis
Brademas	Dixon	Harris
Breeding	Dollinger	Harrison
Brewster	Donohue	Hays
Brock	Dooley	Healey
Brooks, La.	Dowdy	Hechler
Brooks, Tex.	Downing	Hemphill
Broomfield	Doyle	Henderson
Brown, Ga.	Dulski	Herlong
Brown, Ohio	Dwyer	Hoeven
Hoffman, Ill.	Meader	Roush
Hoffman, Mich.	Merrow	Rutherford
Hogan	Michel	Santangelo
Holland	Miller, Clem	Saund
Holt	Miller, George P.	Saylor
Holtzman		Schenck
Horan	Milliken	Scherer
Hosmer	Mills	Schwengel
Huddleston	Mitchell	Scott
Hull	Moeller	Selden
Ikard	Monagan	Shelley
Inouye	Montoya	Sheppard
Irwin	Moore	Shipley
Jackson	Moorhead	Short
Jarman	Morgan	Siler
Jennings	Morris, N. Mex.	Simpson, Ill.
Jensen	Morris, Okla.	Simpson, Pa.
Johansen	Morrison	Sisk
Johnson, Calif.	Moss	Slack
Johnson, Md.	Moulder	Smith, Calif.
Johnson, Wis.	Multer	Smith, Iowa
Jonas	Mumma	Smith, Kans.
Jones, Ala.	Murphy	Smith, Miss.
Judd	Murray	Smith, Va.
Karsten	Natcher	Spence
Karth	Nelsen	Springer
Kearns	Nix	Staggers
Kee	Norblad	Steed
Keith	Norrell	Stratton
Kelly	O'Brien, Ill.	Stubblefield
Kilday	O'Hara, Ill.	Sullivan
Kilgore	O'Konski	Taber
King, Calif.	Oliver	Teague, Calif.
King, Utah	Osmers	Teague, Tex.
Kirwan	Ostertag	Thomas
Kitchin	Passman	Thompson, La.
Kluczynski	Pelly	Thompson, Tex.
Knox	Perkins	Thomson, Wyo.
Kowalski	Pfost	Thornberry
Lafore	Philbin	Toll
Laird	Pilcher	Trimble
Landrum	Pillion	Tuck
Lane	Pirnie	Udall
Langen	Poff	Utt
Lankford	Preston	Vanik
Latta	Price	Van Zandt
Lennon	Prokop	Vinson
Levering	Pucinski	Wainwright
Libonati	Quie	Wallhauser
Lindsay	Quigley	Walter
Lipscomb	Rabaut	Wampler
Loser	Rains	Watts
McCormack	Randall	Weaver
McCulloch	Ray	Weis
McDowell	Reece, Tenn.	Wharton
McFall	Rees, Kans.	Whitener
McGinley	Rhodes, Ariz.	Whitten
McGovern	Rhodes, Pa.	Widnall
McIntire	Riehlman	Williams
McMillan	Riley	Willis
McSween	Rivers, Alaska	Wilson
Macdonald	Rivers, S.C.	Winstead
Machrowicz	Roberts	Withrow
Mack, Ill.	Robison	Wolf
Mack, Wash.	Rodino	Wright
Madden	Rogers, Colo.	Yates
Magnuson	Rogers, Fla.	Young
Mahon	Rogers, Mass.	Younger
Mailliard	Rogers, Tex.	Zablocki
Mason	Rooney	Zelenko
Matthews	Roosevelt	
May	Rostenkowski	

NAYS—18

Anderson, Mont.	Harmon	Porter
	Johnson, Colo.	Reuss
Barr	Kasem	Thompson, N.J.
Celler	Kastenmeier	Ullman
Dingell	Metcalf	Wier
Flynn	Meyer	
Green, Oreg.	O'Hara, Mich.	

NOT VOTING—46

Alford	Dorn, S.C.	Miller, N.Y.
Alger	Durham	Minshall
Anfuso	Evins	O'Brien, N.Y.
Barden	Ford	O'Neill
Baumhart	Hall	Patman
Blitch	Hébert	Poage
Boykin	Hess	Powell
Bray	Hiestand	St. George
Brown, Mo.	Holifield	Sikes
Broyhill	Jones, Mo.	Taylor
Buckley	Keogh	Teller
Canfield	Kilburn	Tollefson
Carter	Lesinski	Van Pelt
Cooley	McDonough	Westland
Derwinski	Marshall	
Dorn, N.Y.	Martin	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Evins with Mr. Martin.
Mr. Lesinski with Mr. Van Pelt.
Mr. Keogh with Mr. Westland.
Mr. Teller with Mr. Canfield.
Mr. O'Brien of New York with Mr. Derwinski.
Mr. Holifield with Mr. Baumhart.
Mr. Barden with Mr. Broyhill.
Mr. Powell with Mr. Minshall.
Mr. O'Neill with Mr. Miller of New York.
Mr. Patman with Mr. Alger.
Mr. Anfuso with Mr. Hess.
Mr. Sikes with Mr. Ford.
Mr. Cooley with Mrs. St. George.
Mr. Hall with Mr. Bray.
Mr. Brown of Missouri with Mr. Taylor.
Mr. Hébert with Mr. Kilburn.
Mr. Dorn of South Carolina with Mr. Hiestand.
Mr. Marshall with Mr. Dorn of New York.
Mr. Alford with Mr. Tollefson.
Mrs. Blitch with Mr. McDonough.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PROGRAM FOR SEPTEMBER 9

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for tomorrow and the rest of the week, if he can give us any information.

Mr. McCORMACK. Tomorrow we will consider under unanimous consent the bills from the Ways and Means Committee I have heretofore announced.

In addition there are two resolutions from the Rules Committee in connection with traveling outside the continental United States by the Committee on Interstate and Foreign Commerce and the Committee on Public Works, and then the Alaska-Hawaii airport bill. They will come up tomorrow. That is all I know of now.

Projecting my mind beyond that, I see the housing bill, of course; then the mutual assistance conference report. Action might be taken Wednesday on the highway bill. It is on the Speaker's desk. We have a conference report on an agricultural bill that will be called up tomorrow.

Mr. HALLECK. I may say in connection with the highway bill that so far as I am concerned the Senate amendments are agreeable to me.

Mr. McCORMACK. I am glad to hear the gentleman say that. As far as I am concerned the Senate amendments are agreeable to me. I hope, as does the gentleman from Indiana, that the bill may be taken from the Speaker's desk

and the Senate amendments concurred in.

That is all I know of now.

Of course, everything has got to be more or less flexible.

SPECIAL CONSIDERATION OF CONFERENCE REPORTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of this week it shall be in order to consider conference reports the same day reported, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to extend my remarks following those of the gentleman from Ohio [Mr. SCHENCK] on House Resolution 380.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PLAQUE HONORING THE LATE HONORABLE SAM McREYNOLDS

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2291) to authorize the erection of a plaque in honor of the late Honorable Sam D. McReynolds on or near the site of the Chickamauga Dam.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Sam D. McReynolds Memorial Committee is hereby authorized to place, at no cost to the United States, on or near the site of the Chickamauga Dam a suitable memorial plaque in honor and appreciation of the late Honorable Sam D. McReynolds, formerly a Member of the House of Representatives, for his contributions to the erection of such dam and for his interest in and contributions to the success of the Tennessee Valley Authority and the purposes for which such Authority was created. The suitability of the size, design, and exact location of such plaque shall be subject to the approval of the Board of Directors of the Tennessee Valley Authority.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FRAZIER. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE OREGON CAVES NATIONAL MONUMENT: A TRIBUTE IN COMMEMORATION OF ITS 50TH ANNIVERSARY

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, The Oregon Caves in my district deserve a tribute commemorating the 50th anniversary of having been proclaimed a national monument July 12, 1909.

The caves were discovered in August 1874 by Elijah Davidson. Stories of the discovery differ slightly. One is that Davidson wounded a bear and followed it into a mountain through a hole which is the main entrance to the cave. Another is that the wounded bear died near the cave beside a stream which Davidson followed because, to his surprise, it came out of the mountain. Oregonians and others take pride in noting that he was chasing the bear and not vice versa. That important event is memorialized by the name of Mount Elijah. Located in Josephine County, in one of the many picturesque, beautiful sections of the Siskiyou National Forest, the caves were called Josephine Caves.

In 1877 Frank N. Nickerson, of Kirby, Oreg., discovered four floors or levels to the caves, and several other labyrinths and entrances have since been found.

In 1884 two brothers explored parts of the caves and tried to acquire "squatters rights" and title by remaining near the cave's main entrance, but they gave up. So, later, did some California promoters who wanted the caves but they learned that the caves were in Oregon instead of California.

Under authority of the Antiquities Act of Congress of June 8, 1906, and on the recommendations of the Forest Service, President Taft proclaimed the Oregon Caves and 480 acres of land surrounding their main entrance a national monument. Jurisdiction over the area was transferred from the Forest Service, Department of Agriculture to the National Park Service, Department of the Interior, on August 10, 1933.

Millions of Americans and many persons from other lands have visited these caverns. They differ from other caves in the varieties, beauties, and mysteries of their incrustations.

A few special points of interest among the many whose names conjure up vivid mental pictures are: Paradise Lost, the Beehive, Dragon's Mouth, Niagara Falls, King's Palace, the White House, Yosemite Falls, Bridal Chamber, Bottomless Pit, the Catawampus, Heavenly Boudoir, Old Satan's Cradle, and Judicial Hall. There are about 40 additional interesting names for other entrancing scenes in these caverns.

Highly descriptive, near-poetic terms are needed to try and picture the multivaried aspects of these underground wonders.

Some descriptions have suggested that the limestone deposits which have turned to marble assume grotesque as well as pleasing shapes. Some of the upstanding stalagmites are grotesque, and some stalactites are fantastic, amber-colored pendants.

In many instances they have joined to form columns of shimmering beauty and frequently appear to be delightful, exquisite, miniature waterfalls. They look like draperies, stone flower gardens, clusters of column-like organ pipes, spectral statuary, or strange bric a brac. The ceilings and walls are usually frescoed elegantly. The walls have several coats of marble, each beautiful, but different in design.

The Oregon Caves National Monument has not, even yet, been explored thoroughly.

I do want to point out, too, that although the Forest Service transferred jurisdiction of the caves to the National Park Service more than 25 years ago, the agencies have cooperated in various ways. Earlier this year I learned from Regional Forester J. Herbert Stone, of Portland, that considerable recreational development in the vicinity of the Oregon Caves has been outlined. These areas will receive early examination in the Forest Service national forest outdoor recreation review program. I had contacted the Forest Service to learn what sort of development was being planned because the area attracts thousands of visitors.

Earlier I mentioned the graceful formations found in the Oregon Caves. It should be noted that the splendid natural oddities of the cave are of special interest because they have been formed in a tilted stratum of marble. And the interesting features of the area include rare species of plants and animals.

That famous western poet Joaquin Miller has described the caves as "The Marble Halls of Oregon." Through the years our marble halls in the Siskiyou Mountain area have become nationally known. The halls are open the year around and the Park Service tells me it expects that yearly attendance by 1966 will pass the 100,000 mark.

We Oregonians like to have visitors during this centennial year or any other year. While you are in Oregon take a day out to see the caves; I don't think you'll ever forget the visit.

THE LATE HONORABLE EDMUND P. RADWAN

Mr. DULSKI. Mr. Speaker I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, it is my sad duty to inform the House that the Honorable Edmund P. Radwan, a former Member of Congress who represented the 41st District of New York, passed away yesterday, September 7. Mr. Radwan was forced to retire at the end of his term last year due to illness, and we are all very saddened to learn of his passing. I want to extend my sincerest sympathy to his wife and family.

Mr. Speaker, I ask unanimous consent that all Members may be permitted to insert their remarks in the RECORD in regard to our late former colleague.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, it is with a feeling of great sadness that I pay final tribute to Ed Radwan.

After serving with distinction in the New York State Senate, he came to Congress in 1951 and, during the following 8 years, we all came to know him as an extremely capable, honest, and outstanding representative of his State's 41st district. During these years I was privileged to have Ed Radwan as a close associate and personal friend.

He was a man of excellent character and background. I often discussed important legislative matters with him and always profited by his insight and understanding. His ability has been, and will be, sorely missed.

My heart goes out to his lovely family, whom I have the pleasure of knowing. I hope it will comfort them somewhat to know that their beloved Ed will long be remembered by those who had the honor of serving with him.

Mr. PILLION. Mr. Speaker, it is with profound sadness that I rise to pay respect to the memory of our esteemed departed colleague from the State of New York, the late Honorable Edmund P. Radwan. It was my privilege and good fortune to have served with Congressman Radwan both in the New York State Legislature and in this Congress.

Congressman Radwan was a man of great political and personal courage. He had a keen and high sense of honor. Although it was conceded by everyone that he could have been reelected in this last campaign, Congressman Radwan chose not to seek reelection. This decision was based upon his belief that, due to his illness, he could not give his undivided service to his constituency.

In the State of New York, I can recall his courage and determination in fighting against a proposal to increase taxes in the year 1949. In Congress, Representative Radwan earned the respect of his colleagues for his sincerity and his adherence to principle.

Congressman Radwan was a dedicated public official with a deep sense of responsibility to his constituency and to the people of this Nation.

I extend my deepest sympathy to his family.

Mr. SANTANGELO. Mr. Speaker, it is with deep sorrow that I learned of the passing of my beloved and esteemed friend, Edmund P. Radwan. Our Maker called Mr. Radwan at the early age of 48 and we mourn his passing. I met Ed Radwan in 1947 when we served together as senators in the New York State Legislature. He was a senator from the great city of Buffalo where he was born and grew up. He was a dedicated servant and public officer. He was always vibrant, alive, and stimulating. His talents were recognized by his friends and neighbors who promoted him to Congress in 1951 to serve his country further.

Cities and places are just brick and mortar to be admired for their beauty and architecture. People give them meaning and make them come alive. On every occasion that I had a problem in Buffalo, I could always call upon Ed for assistance and he never failed me. Whenever I thought of Buffalo, I would think of Ed Radwan. During the past few years, Ed Radwan did not enjoy good health. He suffered, but made no complaints. When he realized that he could no longer render service to his people, he graciously stepped down to permit another more physically capable to take his place.

He was one of the most courageous men I ever knew. He suffered silently and stoically. He approached his Maker with composure and resignation. He has gone to the great beyond. Because on the way he touched me, I am richer in experience, I am wiser in judgment, and happier in thought. All who knew and met him on his journey through the corridor called "Life," share this feeling and sentiment.

He lives in the hearts of his wife, his three children, his friends, and his brother, Ralph. I extend to his family and those who love him my heartfelt sympathy.

Mr. ZABLOCKI. Mr. Speaker, I was deeply sorry to learn about the passing away of our former colleague from New York, the late Honorable Edmund P. Radwan.

I had the privilege of serving with Congressman Radwan on the Committee on Foreign Affairs. Through our close association over the years, I learned to respect him greatly for his integrity, for the soundness of his judgment, and for his devotion to his legislative duties. I know that many of my colleagues have shared my esteem for him. We are deeply moved by the sad news of his death.

It is indeed tragic that someone so young, so able, and having—to all appearances—the whole world in front of him, should have suffered so much and been called by his Maker in the prime of his life. The illness which ultimately led to Congressman Radwan's death had earlier forced him to resign from the Congress and to abandon the life of public service to which he had devoted himself with such vigor and devotion. That grievous misfortune was compounded by the ordeal of repeated surgeries which he had to undergo, and by great physical pain and suffering.

Although we cannot always understand the workings and designs of the divine providence, we must seek consolation today in the thought that the good Lord had called our late colleague to be among His very own.

I want to extend my deepest sympathy to Congressman Radwan's family and his friends. May the good Lord keep them in His special care during this time of their great sorrow and loss.

WEAKNESS IN THE BENSON FARM POLICIES

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, yesterday I took the House floor to tell as best I could some of the difficulties and anxieties that beset the American farmer. Today I want to discuss what I believe to be the weaknesses in Secretary Benson's approach to the farm problem. On tomorrow, I plan to take the floor for the third time this week to make some positive suggestions for improving our agricultural economy.

Let us get one central fact clear in our minds. The farm problem is not a matter of concern only to rural people. Our agricultural economy is so intertwined with the national economy, that any weakening of agriculture's position is a loss to every American. Let me say to my colleagues in the Congress who represent metropolitan areas that the welfare of your people is closely tied to the American farmer. Not only do our farm families provide you with the finest supply of food in the world but farm customers buy the products that keep your factories running.

Farmers, for example, use more steel each year than is consumed by the American automobile industry. When farm income drops, so do the sales of steel companies, farm machinery manufacturers, and auto companies. The Detroit auto worker and the Peoria farm machinery worker have as much at stake in a good farm program as does the farmer.

Of course, the wise farmer knows that his welfare is likewise tied to the buying power of the worker and the merchant in the city who consume the products of the farm. Those who divide and confuse the farmer, the worker, and the merchant do a grave injustice to all three of them. Together they comprise a three-legged stool that tumbles if any one of the legs is broken.

It is especially clear that the farm problem is closely tied to the economic well-being of the small businessman. Farm families purchase large quantities of groceries, shoes, clothing, washing machines, medicine, machinery, furniture, haircuts, gasoline, et cetera.

It has often been pointed out that the farmer creates new wealth from the soil. The rest of us depend so directly or indirectly upon that new wealth that we all suffer every time the farmer's income takes a dip. In fact, it is estimated that the farm dollar turns over six or seven times in its impact on the economy.

The Conference on Economic Progress report, prepared in December 1958, reached the conclusion that from one-fourth to one-half of our entire national production lag since the end of the Korean war in 1953 stems from depressed farm purchasing power. With farm income for the first 5 Benson years $12 billion less than the previous 5 years, the cash registers in towns and cities across the Nation have been slowed down.

Who can deny that the farm problem is America's problem—the problem of each one of us? It will take the best efforts of a great many of us to meet that problem successfully.

I am convinced that no proper answer to the difficulties of agriculture is to be found in the approaches recommended by Secretary Benson. He is doubtless a man of good character and sincere purpose, but he seems to be totally lacking in understanding of farmers and their problems. Since he took command of our agricultural programs in 1953, he has repeatedly made administrative rulings and exerted pressures that have aggravated rather than helped our farm economy. Nearly all of the major farm bills passed by the Congress in recent years have been vetoed by the President on the advice of Mr. Benson.

Many of us in the Congress were dismayed when the administration vetoed our wheat bill earlier this year. That bill would have reduced surplus wheat production by 480 million bushels, cut Government costs by $528 million, and protected the farmer's income. The bill was further improved on the floor when Congress accepted my amendment to place a $35,000 ceiling on the amount of price support loan that any one farmer could receive. Yet, the President vetoed this bill at Mr. Benson's insistence.

In a nutshell, Secretary Benson's program has consisted of lowering the farm price-support level to accomplish three objectives: First, reduction in farm surpluses; second, reduced Government costs; and third, reduced food prices to the consumer.

The policy has been an enormous failure on all three counts. The Secretary has cut farm prices to be sure, but in doing so he has sharply reduced farm income, driven many farm families from the land and most frustrating of all, instead of reducing surpluses, tax costs and food prices, the reverse has happened.

While farm income was falling, farm surpluses and farm program costs to the taxpayer have skyrocketed and food prices are up instead of down.

Here is the record based on Government statistics for the Benson administration from 1953 until the present:

Farm income down by one-fifth.

Farm purchasing power down by one-third.

Farm surpluses have quadrupled from $2.4 billion in 1953 to $9.1 billion in 1959.

Department of Agriculture budget now seven times greater than in 1952.

Food prices up 5 percent.

Four million Americans have left the farm. Instead of eliminating surplus production, the Benson policies have eliminated farmers whose farms have been incorporated in larger units. Many of these family size farms have been swallowed by vertical integration or corporation farming.

A year ago, the distinguished chairman of the House Committee on Agriculture [Mr. COOLEY] summarized the results of Secretary Benson's policies as follows:

> Since Mr. Benson began to bring down farm prices 5 years ago, farm income has dropped about $1 billion a year, the cost of farm programs has increased by about $1 billion a year, farm debt has climbed about $1 billion a year—and farm people have been leaving the farms at the rate of about 1 million a year.

No fair-minded person would argue that Secretary Benson is solely responsible for the current agricultural problem. The evidence is clear, however, that he is promoting a discredited theory which may sound convincing to those who preach it but which has disastrous consequences when applied.

The Benson theory is "the free market theory." According to this view, farmers are overproducing because of Government price supports; overproduction depresses farm income; take away firm price supports and farmers will balance supply with demand so that all will be well.

The only trouble with this "free market" or "supply and demand" theory when applied to agriculture is that every time it is applied it leads to economic disaster. Farmers have wryly observed that the law of supply and demand means that when there is a supply there is no demand.

When the farmer brings his produce into a free market, he is more often than not like a lamb going to slaughter. He has nothing to say about either the price he shall be paid for what he sells nor the price he himself will pay for the things that he must buy.

Before the advent of the Federal farm program which Mr. Benson has been gradually taking apart, farmers were taken for an economic ride each year by the speculators. During the marketing period following harvest, speculators enjoyed a hey-day as they watched the temporarily-flooded market sink. They would then move into the glutted market and buy low knowing that the farmer had to sell to pay his bills and his expenses. They could then sit back and wait for the market to rise before they unloaded at a neat profit.

We need not rely on theory to know how the "free market" would work in the absence of a Government farm program. We had such a market in the 1920's and early 1930's. During that period the stock market boomed to an all-time high in 1929. Industry was prospering. The farmer, however, saw his markets collapse in late 1920 and 1921 and from then on for the next decade he was in serious trouble.

All across rural America while prosperity reigned in the cities, farm families were forced to the walls, mortgages were foreclosed, mainstreet businesses and banks closed and everyone suffered.

That is why farm State Republicans and Democrats joined in demanding a program that would bring order out of chaos in our agricultural economy. Great champions of the farmer in Congress such as Norbeck, of South Dakota; Norris, of Nebraska; and LaFollette, of Wisconsin; tried unsuccessfully to convince Presidents Harding, Coolidge and Hoover that the Federal Government had a responsibility to meet the crisis in agriculture. Their efforts fell on deaf ears, however, with Coolidge typifying administration attitudes when he said:

> Farmers have always been poor and there isn't much that can be done about it.

It was this lack of administration understanding of agricultural people and their problems that led Norbeck, Norris and other farm State Republicans in the Congress to shift their support to the Democratic President, Franklin Roosevelt. Norris campaigned for the Democratic presidential candidate as early as 1928.

These men knew that in the absence of a national farm program, millions of individual farmers have no way of keeping supply and demand factors in balance. They can never know whether Mother Nature will bring drought, hailstorms, or bumper harvests.

Nor can the farmer know what the impact will be of shifts in production by other farmers, or a change in the pattern of international trade and foreign production. The farmer, for example, who might decide that a 10 percent cut in corn production would help stabilize prices, is powerless to do anything about his hunch if other millions of farmers should fail to act on the same impulse. Even then, in a free market, during the period when the crop is brought to market, the price would sink, giving the speculators their opportunity to profiteer on the farmer's toil.

It is only through a carefully planned farm program that supply and demand factors can be made effective.

The Federal farm program established in the 1930's and 1940's gave farmers an opportunity for the first time in American history to market certain basic commodities in an orderly and profitable manner. Under this program, farmers were assured price support loans up to 90 percent of the parity value of their crop, provided they complied with production limitations. The farmer paid interest on his loan, and had the option of either redeeming his stored commodities by paying off his loan or letting the Government keep the commodities. For 20 years, 1933–53, this program operated for six basic farm commodities. Not only did it stabilize farm production, marketing, and income, but at the end of two decades the Government, instead of subsidizing farmers, had actually made a $13 million profit.

Furthermore, there were no burdensome surpluses. The Government farm storages were a great blessing during World War II and the Korean war. Even in peacetime years, the surpluses were never larger than that needed for a national reserve.

There were, of course, weaknesses in the farm program. One basic weakness

was that it was never geared sufficiently to the needs of the smaller farmers. There was no graduated scale of acreage allotments and parity guarantees similar to the Federal income tax principle. As a result, acreage restrictions worked a hardship on the small producer. Likewise, big producers parlayed price support profits into investments in bigger and bigger farms that made it increasingly difficult for the little man to enlarge his holdings.

Another fundamental failure has been our slowness to convert our farm abundance into an effective foreign policy instrument in a world overrun with hungry inhabitants. There is something immoral about the constant deploring of farm surpluses while other human beings in Asia, Africa, and the Middle East are yearning for food. Indeed, there are hungry Americans here in the United States who ought to be benefiting from our surplus food.

But the lack of family farm considerations and an imaginative food for peace concept have not been the weaknesses that Secretary Benson has sought to correct.

Because of a deepseated prejudice against Government intervention in economic life, Secretary Benson set out in 1953 to dismantle the Federal farm program. Mr. Benson was not motivated by any desire to remedy the weakness of the program for the benefit of the small farmer. He was determined to do away with the entire program by a series of reductions in the farm price support level.

Mr. Benson's biggest error is the basic assumption that he could reduce farm production by reducing farm price supports. Each time that he has lowered farm price supports, production has gone up—not down.

The reason is clear. Farmers have high, fixed operating costs which can only be met by multiplying the volume of production times the price. If their prices are lowered, they have no recourse other than to increase their volume. This they have done in the case of every commodity following reductions in the price support level. Cuts in farm prices, combined with acreage cuts and rising costs, comprise a three-way pressure on farmers to increase the yield per acre as much as humanly possible. Scores of farmers have told me that Secretary Benson's policy of lower prices, combined with reduced acreage allotments, has forced the very surplus production it was supposed to prevent. Thus, the $2.4 billion in Government-held farm surplus of 1952 has mushroomed to $9.1 since Mr. Benson has been handling the program.

We have already seen that Benson has failed equally in his two other objectives—that of lowering food prices and reducing Government costs. During the years that Benson has been administering our farm program, each time he has lowered farm price supports, middlemen have simply widened their profit margins. Neither farmers nor consumers have benefited from lower farm prices.

Consider, for example, the case of bread. During the past 10 years the price of a bushel of wheat has declined 20 percent, but the cost of bread has increased 54 percent.

The record of failure is equally clear in the case of Mr. Benson's claim that his approach would lower costs of the farm program to the taxpayers. His policies, including his highly advertised soil bank, have been vastly more expensive than any previous farm program in our history.

The annual budget of the Department of Agriculture, prior to Secretary Benson, was approximately $1 billion. This year's fiscal budget has reached the astounding total of $7 billion.

A news item in the Washington Post of June 1, 1959 tells the story as follows:

> A Library of Congress study shows that Agriculture Department appropriations from 1862 to 1931 totaled $2.4 billion. From 1932 to 1953, expenditures were $25.2 billion. Since Benson took over in 1953, net budget expenditures have reached $31 billion. In other words, the present Secretary has spent more than all his predecessors combined.

Let us see briefly how this has happened. First of all, although there are 4 million less Americans engaged in farming today than in 1952, Mr. Benson has increased the number of employees in his Department from 67,406 in 1952 to 98,487 as of June 30, 1959—an increase of more than 31,000.

Second, price support losses by the Commodity Credit Corporation which formerly were either very small or actually net profits to the Treasury, have increased enormously in recent years.

The Department of Agriculture supported the prices of major storable crops for 20 years prior to 1953 and ended that 20-year period with a net profit of $13 million. During this same period, even with the price support losses on the perishable commodities included, the Government cost was only slightly above $1 billion. By contrast, Mr. Benson lost more than $4 billion during the first 5 years that he handled the price support program.

Because Mr. Benson has been protected by the big metropolitan press and friendly commentators, the shocking cost to the taxpayers of his policies is not generally known. Yet, the record is clear. He has lost more than four times as much in price support operations in 5 years as was lost in the 20 previous years by Secretaries who believed in the program they were administering and did their best to make it work rather than trying to prove it would not work.

Here are some of the other factors in the Benson financial record:

First. Interest charges in the Department of Agriculture have increased from $16 million in 1952 to $323 million in 1958.

Second. Storage and handling charges have gone from $73 million to $409 million.

Third. Transportation costs for moving Government commodities have risen from $45 million to $178 million.

Fourth. Administrative expenses for Mr. Benson's office have jumped from $15 million to $34 million.

Fifth. County office expenses have zoomed from $13 million to $50 million.

The biggest expense of all in the Benson years was his highly administered soil bank. That program has cost the taxpayers $2½ billion and has benefited only a small minority of our farm families. When Mr. Benson and his supporters in the Congress told us in 1956 that the soil bank was the answer to the farm problem, I publicly protested this false claim. "The soil bank may have certain conservation values, but it is a poor substitute for a strong price support program," I warned repeatedly during the months this new program was being advanced.

The soil bank was actually promoted by Secretary Benson in 1956 as an election-year scheme to get some quick cash into the pockets of farmers who had been hurt by his policies. The Secretary recommended that $1,200 million be paid out to farmers just before the 1956 election on the farmer's promise that he would take acreage out of production the following year. "I wonder what would have been the reaction of the press and the Nation if a Democrat had offered any such thing just before an election," observed Congressman WHITTEN, of Mississippi, chairman of the House Subcommittee on Agricultural Appropriations.

Although the Government has spent nearly $2½ billion on the soil bank, it has had little effect on reducing production. The acreage reserve costing $1¾ billion was junked by Congress this year after Mr. Benson publicly admitted his plan had not worked.

The conservation reserve of the soil bank, which remains, has some good features, but involves only a small fraction of the Nation's 4 million farmers—125,000 in 1957–58. It has cost three-quarters billion dollars to date, and we are committed under this program to some contracts running 10 or 15 years.

Here, too, the effect on production has been slight. Congressman WHITTEN reports that his committee investigations revealed that "all sorts of nefarious schemes were used, in some instances, to bilk the Treasury in connection with the program. Most of the lands rented had little real production history anyway." Chairman WHITTEN concluded, after an intense committee study of the soil bank, that its chief purpose was "to place in the hands of some farmers cash which they have lost under the policies of Secretary Benson."

Strangely enough, while pouring $2½ billion into the soil bank, Secretary Benson has tried to undercut such programs as the agricultural conservation program in which 1¼ million farmers participate. He has recommended cuts in the already small school lunch and milk program, has resisted efforts by the Congress to expand the use of our farm surpluses overseas, and for needy American families, and has strongly urged higher interest rates for our rural electric users.

The more I study Mr. Benson's record, the more convinced I become that he is a representative not of the farmers, but of the powerful and influential middlemen who process, store, transport, and handle the farmer's products.

I fully recognize that it is not enough simply to criticize Secretary Benson's policies. My purpose in doing so is my

conviction that any improved program must begin with a recognition of the mistakes that have been made in the recent past. I have given a great deal of time and thought to the farm problem in recent years and have discussed it with hundreds of farmers in my home State of South Dakota. The suggestions which I shall make tomorrow for improving our farm economy are offered in humble recognition of the fact that no one of us has any quick and easy solution to this tough national problem.

WORLD TRADE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Speaker, world trade, the flow of commerce between nations, is a subject of deep interest to me, my State and, indeed, to all the people of the United States and of the free world. We recognize how utterly impossible it would have been to attain the standards of living we enjoy were it not for the availability of the raw materials, the foodstuffs, the crafts, and the advanced manufactures other countries can offer us. We also know the contribution that U.S. exports have made to the standards of living and productive capacity of the countries with which we trade.

Since 1934, United States has worked through the reciprocal trade agreements program to encourage the flow of trade in recognition of the fact that through reciprocal trade we promote mutual cooperation. We have sought under the trade agreements program to remove artificial restrictions on trade and to develop sound rules for the conduct of trade between nations. To this end we have negotiated trade agreements such as the General Agreements on Tariffs and Trade under which we have lowered our tariffs on a reciprocal basis and have developed rules of trade policy designed to avoid discrimination and unfair trade practices.

Although I have been critical of some of the things that we have done, I believe that the United States has, on the whole, made a good record in its trade policy. We have also been realistic about the problems and needs of other countries. For example, during the postwar period of reconstruction and imbalance in trade we recognized, under the GATT, that countries suffering balance of payments and currency problems would have to resort to quota restrictions on imports in order to conserve their scarce foreign exchange. We recognized that, in particular, it was necessary in a dollar-short world for countries to limit their imports from the United States in order to husband their limited dollar resources.

The world economic picture has, however, changed from the condition that it was in only a few years ago. Economic recovery has taken place. National incomes and standards of living, particularly in the industrialized countries of the world, are on the rise. This improvement in the economic health of many countries has been reflected in an improvement in their foreign trade position. There is no longer today a problem of dollar shortage. With the accumulation of foreign exchange reserves and the expansion of export trade, many countries, particularly those of Western Europe, have been able to bring their currencies closer to full convertibility with the dollar.

Along with these developments there has also been substantial progress in the elimination of special restrictions against imports from the United States and the reduction of quota restrictions against imports generally.

A few weeks ago I wrote to the Under Secretary of State, the Honorable C. Douglas Dillon, requesting information on the progress that had been recorded in the first half of 1959 in dollar trade liberalization. In his reply Mr. Dillon noted the advances that had been made. His statement ended with the following paragraph:

> Despite the progress which has been made, however, a number of countries continue to discriminate against U.S. exports. In the coming months, the U.S. Government, through such forums as the General Agreement on Tariffs and Trade and the International Monetary Fund, and in bilateral discussions, will continue vigorous efforts—based upon the new financial situation which exists in international trade—to bring about further rapid elimination of dollar trade discrimination.

I welcome the progress that has already been made in the removal of artificial restrictions placed against U.S. exports. I applaud the vigorous efforts of our Government to this end and I am reassured by the commitment of our Government that it will try to accelerate the pace of progress in this field.

I think that it is very important to emphasize to our trading partners throughout the world the urgent necessity of taking additional and bold measures to eliminate, as soon as possible, the remaining discriminations against U.S. trade. Furthermore, in those countries that have achieved a measure of stability in their foreign trade which has permitted greater currency convertibility, I would hope that they, too, would soon eliminate all their remaining quota restrictions that have been imposed to protect their balance of payments. I recognize that many of the less-developed countries that have been faced with adverse trade conditions due to the low prices at which their products have been selling in world markets, may not be able to undertake such a fast pace of trade liberalization although I feel that, even in the case of these countries, discriminatory restrictions against U.S. goods are unwarranted.

I cannot emphasize too much that this is one of the most important issues in our foreign trade relations today. Involved is the question of honoring the GATT commitments and other trade agreement obligations that our trading partners have assumed. As I mentioned earlier, the GATT recognized that quantitive restrictions on trade may be necessary for balance of payment reasons. But the GATT also requires that these restrictions be removed as soon as the balance of payments situation permits. This is particularly true in the case of discriminatory restrictions. The removal of such restrictions therefore involves the integrity of the trade-agreements system which is essential for the orderly growth and expansion of world trade. It is likewise important for the development of a trading system in the free world that will bring the kinds of economic gains to all that we seek through trade.

Finally, and very importantly, our trading partners have in their power to make important decisions about their own trade policies which cannot fail to have important effects on the future course of United States trade policy.

I hope that through the consultations under GATT and the International Monetary Fund we will see an acceleration of the progress in trade liberalization and the removal of discriminatory restrictions and that our delegation to the XVth session of the contracting parties to the GATT which meets at the end of October will have good progress to report when those meetings are completed.

Mr. Speaker, under unanimous consent, I include in the RECORD materials on the subject that I have been discussing, including detailed information supplied to me by the Department of Commerce on the remaining restrictions against dollar imports in effect in various countries:

CORRESPONDENCE BETWEEN ACTING SECRETARY DILLON AND CONGRESSMAN BOGGS ON PROGRESS IN DOLLAR TRADE LIBERALIZATION

HALE BOGGS, chairman of the Subcommittee on the Administration of Foreign Trade Laws and Policy of the Committee on Ways and Means, wrote to Acting Secretary Dillon requesting a statement on actions taken by foreign governments to remove discriminatory restrictions against imports from the dollar area. The letter from Mr. BOGGS and Mr. Dillon's reply transmitting the information follow. As this correspondence indicates, the U.S. Government welcomes the progress made in dollar liberalization and intends to continue its vigorous efforts to achieve the elimination of quantitative restrictions and discrimination against imports from the United States.

JULY 13, 1959.

The Honorable C. DOUGLAS DILLON,
Under Secretary of State, U.S. Department of State, Washington, D.C.

DEAR DOUG: With the improvement in the balance-of-payments and foreign exchange positions of many of our trading partners, particularly those in Western Europe, and with the reduction in the U.S. export surplus, it has become increasingly important that the United States pursue aggressively the elimination of discriminatory restrictions imposed against dollar imports. I know that our Government has been working hard on this task, principally through the vehicle of the consultations on balance-of-payments import restrictions that have been going forward under the aegis of the General Agreement on Tariffs and Trade. This is an effort which deserves full support.

From time to time in the past, particularly in connection with the periodic extensions of the trade agreements legislations, the Department of State has issued reports on the progress of trade and currency liberalization, particularly with respect to dollar trade and payments. I think it would be very useful if this information could be brought up to date and made available to the Congress and the

American public. To a limited extent this has been done in the annual report of the President on the trade agreements program although the latest report covers only the development up to the close of calendar year 1958.

It would be particularly useful if information covering developments in trade and currency liberalization during the first half of 1959 were made available. It is my impression that noteworthy progress was recorded during the first half of this year, especially in Western Europe and that far from increasing restrictions against imports from the United States, the advent of the Common Market has, at least, for this brief period, brought with it a relaxation of such restrictions.

Sincerely yours,

HALE BOGGS.

JULY 25,1959.

The Honorable HALE BOGGS,
Chairman, Subcommittee on the Administration of Foreign Trade Laws and Policy, Committee on Ways and Means, House of Representatives.

DEAR HALE: I am enclosing a statement concerning the progress made during the first half of 1959 in eliminating dollar discrimination in international trade, which you requested in your letter of July 13, 1959. This progress has continued in the current month. Most recently, Ghana, Malaya, Nigeria, and Singapore have taken additional measures to liberalize their treatment of dollar goods.

In accordance with your suggestion that information on advances in trade and currency liberalization be made available to the public, the Department plans to release this statement to the press.

The U.S. Government will continue vigorous efforts to bring about further rapid elimination of discrimination against U.S. exports.

With best wishes,

Sincerely,

DOUGLAS DILLON,
Acting Secretary.

PROGRESS IN ELIMINATION OF DOLLAR DISCRIMINATION IN INTERNATIONAL TRADE DURING THE FIRST HALF OF 1959

In the past 6 months a number of the world's leading trading nations have taken important steps toward the removal of remaining discrimination in their treatment of imports from the United States and other countries of the dollar area. Among these nations are Argentina, Australia, Denmark, France, Germany, Italy, Japan, Malaya, the Netherlands, New Zealand, Norway, and the United Kingdom.[1]

This acceleration in the dismantling of discriminatory dollar trade controls during 1959 has occurred not only in the important trading nations listed above but also in North Borneo, Jamaica, British Guiana, British Honduras, and elsewhere. Its significance lies not only in the substantial trade opportunities which the liberalization moves will afford to U.S. exporters but also in the new international financial situation which the moves reflect.

The new financial situation is actually the result of dramatic measures taken by most Western European countries at the beginning of the year to establish nonresident convertibility for their currencies. In the opinion of the United States and many other countries these measures ended whatever financial logic may have existed in trade discrimination. Because of the convertibility actions, a merchant in South America, Africa, Asia, who receives British pounds sterling, German marks, Italian lire, or other convertible European currencies for his exports now earns currency which is as usable as the dollar in international trade and which, in fact, he can convert into dollars at will.

In Europe, Denmark, France, the Netherlands, and Norway took important steps to free their dollar imports early in the year. As a result of these measures Denmark, the Netherlands, and Norway now permit all products which can be imported without licensing restrictions from Western European countries to be imported freely from the United States as well. France, in removing controls on such dollar imports as cotton, copper, scrap iron, aluminum, and other raw and semifinished products, raised its dollar liberalization to the highest level since the end of the war. Germany, in the course of consultations under the General Agreement on Tariffs and Trade, has in the past 6 months announced the removal of a number of import restrictions and has undertaken a program for further liberalization over the next 3 years.

In the past few weeks, Italy and the United Kingdom announced new dollar liberalization measures which have narrowed, although not yet eliminated, discrimination against U.S. goods. In Italy restrictions were removed from such important products as tanned leather, gasoline and diesel engines, phonograph records, turbines, reactors, jets, most types of pumps, industrial heating and cooling equipment, machine tools, and a large variety of iron and steel products. In the United Kingdom, dollar restrictions were lifted June 8 on about 45 items, including fresh, frozen, and canned vegetables, cheese, eggs, honey, cereal breakfast foods, musical instruments, shoes, and household appliances. The United Kingdom also opened a number of its so-called global quotas[2] to U.S. exporters and increased dollar quotas for a number of imports, including automobiles.

Elsewhere in the world, the Government of New Zealand recently announced adjustments in its import quotas designed to remove inequalities which have remained from discriminatory restrictions of previous years, despite the largely nondiscriminatory form of New Zealand import restrictions adopted in 1958. In April, Australia abolished discriminatory licensing treatment of 330 dollar import items, among them agricultural machines, tractors, earthmoving equipment, diesel engines, locomotives, aircraft, scientific instruments, and motorcycles. Brazil has eliminated the distinction between dollar and European currencies in its exchange auctions. Japan has, for the most part, abandoned import allocations by currency areas, and a majority of the British colonial governments have followed the lead of the United Kingdom in removing many import controls which formerly discriminated against dollar goods.

Despite the progress which has been made, however, a number of countries continue to discriminate against U.S. exports. In the coming months, the U.S. Government, through such forums as the General Agreement on Tariffs and Trade and the International Monetary Fund, and in bilateral discussions, will continue vigorous efforts—based upon the new financial situation which exists in international trade—to bring about further rapid elimination of dollar trade discrimination.

[1] Just prior to issuing this statement, the Department of State received information that France had announced a further liberalization measure, and that Kenya, the Sudan, Trinidad, and Uganda also had reduced their discrimination against dollar products. These developments are in addition to those which occurred in Ghana, Malaya, Nigeria, and Singapore in July, as noted in Mr. Dillon's letter to Mr. BOGGS.

[2] Global quotas in theory, while limiting the total value or amount of imports, permit purchases from any country. In practice, a number of so-called global quotas permit imports only from a designated group of countries.

TRADE DISCRIMINATION AND CURRENCY CONVERTIBILITY

(Statement by W. T. M. Beale, chairman of the U.S. delegation, at the opening plenary of the 14th session of the contracting parties to the GATT, May 11, 1959)

Mr. Chairman, when the contracting parties agreed last fall to wait until this session to act on the review of import restrictions under articles XII and XVIII, all of us, I believe, had in mind no more than the advisability of providing additional time for improving the text. I know that we in the U.S. delegation did not expect that, within a few weeks after the end of the 13th session, the contracting parties would be able to add a new and important page to the review, namely, a report on fundamental changes in the international payments situation.

The changes in the situation to which I refer were, of course, brought about by the measures taken by a number of contracting parties in Europe and elsewhere to establish the external convertibility of their currencies. As the result of a series of dramatic and welcome actions that crowned the progress of several years, the currencies used to finance the bulk of world trade are now generally convertible into one another for nonresidents at official rates of exchange. All of the countries that acted applied their convertibility measures to current transactions, including trade, and some of them extended convertibility to the capital sector also. At the same time, the European Payments Union, with its provisions for automatic credit facilities, was liquidated; and the European Fund, with its provisions for discretionary credits repayable in gold, was put into operation along with the other arrangements provided for in the European Monetary Agreement.

These measures formally brought to an end the basic difference that had previously existed between the dollar area currencies, on the one hand, and sterling and many other currencies of continental Europe, on the other. In a broad and practical sense, the phrase "dollar area" broke out of its old geographic definition and came to include not only a few countries mainly concentrated in the Western Hemisphere but also the United Kingdom and a large part of the continent of Europe, as well as the countries in other parts of the world which are members of the currency areas centered in Europe.

The practical significance of these measures may be clarified by a few illustrations. Today, any country that earns sterling, for instance, is free to use it for financing its imports from any supplier in the world. Today, countries include in their published accounts of gold and convertible currency holdings their balances in the newly convertible currencies, such as the French franc and the deutsche mark. Today, a merchant in South America, Asia, or Africa who buys goods, whether in Europe or elsewhere, for Belgian francs, Italian lire, or Austrian schillings pays in currency that is, in fact, as usable as dollar currency.

In the new situation, the effect on Chile's or Norway's balance-of-payments position and monetary reserves of a given amount of foreign exchange expenditure is the same, whether the money is spent in Canada or Denmark. Similarly, the effect of a given amount of foreign exchange income is the same, whether it is received from the Dominican Republic or India. Thus we note that Brazil no longer has separate exchange auctions for the dollar and the so-called A.C.L. currencies but has a combined auction where dollars and the European convertible currencies are traded on the same basis. In short, the broad establishment of external convertibility has generally removed the substantive distinction that existed for two decades between the currencies of the

dollar countries and the currencies of other countries and thus has ended the relevance of this distinction to trade policy and to the appraisal of balance-of-payments and exchange reserve positions.

Before commenting in more detail on the implications for trade policy of the convertibility moves, I would like to refer to some of the considerations that appear to have made it possible for the European countries to move forward. First, the countries of Europe had, by and large, achieved a notable degree of financial stability and high levels of productive capacity and productivity. Secondly, although some of the less-developed countries as well as some of the industrialized countries had individual balance-of-payments problems, the general international payments situation was propitious. In this respect, may I point out that in the period following the postwar realinement of exchange rates—that is, in the 9 years from 1950 through 1958—the rest of the free world, as a result of transactions with the United States, increased its gold and liquid dollar reserves and working balances by almost $14 billion, or an average of about $1.5 billion a year. Other transactions, including official receipts of gold from new production, brought the increase to $18 billion for the period. Thirdly, there was the long-standing realization, reflected both in the articles of the Agreement of the International Monetary Fund and in the General Agreement on Tariffs and Trade, that inconvertibility and the trade restrictions that accompany it are costly obstacles to the economic allocation of resources, both nationally and internationally, and hence to economic growth and standards of living. Finally, but not least in importance, the governments which acted had the courage of their convictions.

When the convertibility measures were announced, Government officials and businessmen all over the world undoubtedly asked themselves the same question: What practical effect would these measures have on trade, investment, foreign exchange markets, and so on? To answer the question as it applies to trade, we must, of course, consider the relationship between convertibility and the principles of the general agreement.

The general agreement, in essence, is a cooperative venture of a group of nations designed to achieve common economic objectives under agreed trade rules for the benefit of all participants. It is natural that we should find running through an agreement of this character the historic principle of the most-favored-nation or, as we sometimes call it, the principle of nondiscrimination. The general agreement tolerates little deviation from this principle and defines in strict terms the situations in which discriminatory practices may be followed.

With regard to quantitative import restrictions, the provisions of the general agreement establish a close relationship between the balance-of-payments criterion and the privilege of departing from the rule of nondiscrimination. Thus, article XIV permits a contracting party to deviate from the rule of nondiscrimination in article XIII only with regard to import restrictions maintained to safeguard its balance of payments, that is, under articles XII or XVIII:B. Article XIV does not authorize the discriminatory application of restrictions maintained, for example, under article XI.

The character of the rules in the general agreement governing the discriminatory application of quantitative restrictions reflects the extraordinary balance-of-payments problems and shortages of monetary reserves that many countries experienced after the war. Few currencies were convertible when the general agreement was negotiated; and of course, supplies of convertible means of payment were short. In these circumstances, had the general agreement required absolute adherence to the rule of nondiscrimination, many countries might have found it necessary to limit their imports according to standards dictated by the availability of their least plentiful means of payment. In other words, article XIV was written to take account of peculiar balance-of-payment situations arising out of the inconvertibility of currencies and to allow for discriminatory import policies based on the proposition that, in the circumstances, increased imports from some suppliers would not endanger slender monetary reserves to the extent that imports from others might. The various formulas found in the article were all designed with this end in mind.

It may be noted that the formula utilized by most contracting parties that have resorted to article XIV is the one given in paragraph 1(b). This paragraph permits the discriminatory application of import restrictions only to the extent that discriminatory payments restrictions may be applied under article XIV of the fund agreement. The fund agreement, in turn, provides that members shall withdraw payments restrictions under article XIV no longer needed for balance-of-payments reasons.

In this context, the United States believes that the recent convertibility measures have created a new setting for commercial policy. As inconvertibility has given way to convertibility, so discrimination and bilateralism should now give way to nondiscrimination and multilateralism. This observation applies not only to a country whose balance of payments has been put on a convertible basis by its own convertibility measures; it applies in general to other countries also since, with sterling and other currencies of Western Europe added to the previous list of convertible currencies, the bulk of world exports is now being paid for with convertible currency. All countries, whether or not their currencies have been made convertible, are affected by the new convertibility situation; some because payments in their own currency are on a convertible basis; others because their foreign exchange income and payments are made in the form of the convertible currencies of other countries.

Discrimination in the application of import restrictions has taken various forms, for example:

The maintenance against some suppliers of restrictions on imports that have been liberalized—that is, freed of restraints—for other suppliers;

The maintenance against some suppliers of prohibitions on imports for which quotas have been opened for other suppliers;

The administration of quotas in a manner not in harmony with the central concept of article XIII, paragraph 2, which calls for a distribution of quotas aimed at a pattern of trade which might be expected to obtain in the absence of restrictions; deviations from this concept sometimes take the form of bilateral exchange of quota privileges not open to third countries; and, finally,

The application to the imports of some suppliers of procedural requirements that are not applied to like imports from others.

May I make a further comment with regard to the last situation. It has been said that certain regulations applicable to imports are merely formalities, not restrictions, and therefore do not constitute discriminatory import restrictions even though they are unevenly applied among exporting countries. We are not sure that this assertion is valid; but if it is, we should not forget that article I, paragraph 1, of the general agreement requires unconditional most-favored-nation treatment with respect to all rules and formalities in connection with importation and exportation.

The United States considers that the advent of convertibility has refuted whatever financial logic may have been found in trade discrimination. Convertibility should mean the rapid removal of the inequalities that have proved costly both to the countries whose export interests have felt the sharper edge of import restrictions and to the countries which have considered it necessary to apply import restrictions in a discriminatory way. May I repeat what the U.S. delegations to the meetings of the contracting parties have said many times: All import restrictions carry some economic cost, but discriminatory import restrictions are likely to be especially costly since they tend to divert from cheap sources to expensive ones the purchase of whatever volume of imports is permitted. Countries with the greatest need for foreign exchange—including the less developed countries, a number of which continue to have overall balance-of-payments difficulties—are least able to afford the extra costs that discriminatory import restrictions entail.

We have noted with appreciation the quick action taken by a number of countries following the establishment of convertibility to eliminate various discriminatory elements in their restrictive systems. Some of them have opened for non-European suppliers the liberalization lists that had been established for European suppliers. Others have put quotas on a nondiscriminatory basis. When the recent advances toward nondiscrimination are added to the advances of previous years, it is apparent that the contracting parties have moved a good part of the way toward the goal of nondiscrimination enunciated in the general agreement. But there is much left to be done, and we believe that the opportunity afforded by the new financial situation should be seized by all contracting parties that are still resorting to discriminatory import practices.

At the same time as progress has been made in the elimination of discrimination since the advent of convertibility in Europe, consideration has been given to new measures and arrangements that would have the effect of increasing the scope or intensifying the incidence of discriminatory import restrictions. The introduction of measures and arrangements of this kind would be a singularly disconcerting way of responding to the new convertibility situation. The United States believes that, at this juncture, the contracting parties can reasonably expect that changes in quantitative import restrictions will run in the direction of eliminating rather than expanding the impact of discrimination.

At this point, I wish to say a few words specifically about the trade interests of the United States in relation to the discriminatory import restrictions still in force. Over the years the United States has, I believe, approached the question of discrimination against its exports with a reasonable degree of understanding. We have cited the disadvantages and economic cost of discriminatory restrictions; we have encouraged their relaxation and removal; and we have pointed out—no doubt with vigor on occasion—particular restrictions that were proving to be specially harmful to our legitimate trade interests. Many of you have heard us expound the virtues of American bean-sorting machines, mild-cured salmon, honey, office equipment, automobiles, apples and pears, machine tools, bourbon whisky, and so on. But in doing this I do not believe that we have been unmindful of the serious problems faced by many contracting parties during the postwar period, and I know that we have not been unmindful of the resolute efforts made to solve them.

It is only too clear, however, that the period of postwar adjustment is behind us. The old arguments about the dollar shortage and the unique export position of U.S. goods have lost their relevance. The last 10 years have seen a remarkable growth of productive capacity and efficiency in many areas of the world. The revival of productive power in other countries has been revealed by their sales, not only in the United States, but also in other markets. American

producers and exporters can testify, from firsthand experience, to the revival of effective competition from oversea producers.

For some years, we in the U.S. Government have had to answer the following question put to us by American exporters: If a country is able to open its doors to goods produced in the countries of Europe and other areas, is there any good reason why it cannot open up its doors to like goods produced in the United States? Speaking plainly, I must say that in present circumstances, we do not believe that there is a persuasive answer to that question.

The periodic consultations now called for by the revised provisions of articles XII and XVIII–B will enable the contracting parties to examine systematically the remaining area of discrimination in the restrictions applied under those articles. The United States and the other countries whose exports have been affected by restrictions against the dollar area, will, of course, be highly interested in this aspect of the consultations. Discrimination does not affect dollar countries alone, however. When we speak of nondiscrimination we have in mind not only the interests of the Western Hemisphere dollar countries but the interests of others as well. All contracting parties stand to gain by the achievement of a fully multilateral trading system. We therefore look forward to the consultations, and the constructive encouragement they can give to the early elimination of discrimination, as a source of benefit to all contracting parties.

By the timely application of the logic of convertibility to their commercial policies, contracting parties will not only promote their immediate economic welfare but will also make a lasting contribution to the system of multilateral trade that they have been striving for so long to attain through the general agreement.

QUANTITATIVE IMPORT RESTRICTIONS MAINTAINED BY COUNTRIES PARTICIPATING IN THE GENERAL AGREEMENT ON TARIFFS AND TRADE

1. The general agreement prohibits the use of quantitative import restrictions by participating countries but allows certain exceptions to be made. These include controls necessary to protect human, animal or plant life or health; controls designed to prevent interference with certain types of domestic programs relating to agriculture or fisheries products; measures necessary to the protection of a country's security interests; and restrictions authorized for particular countries in exceptional circumstances; e.g., —. the U.S. section 22 waiver, the Belgian "hard core" waiver and the decision of the Contracting Parties permitting Germany to continue temporarily certain restrictions originally imposed for payments reasons.

2. By far the most important restrictions, however, from the standpoint of their effect on U.S. exports, have been those permitted for balance of payments reasons under articles XII and XVIII and the discriminatory application of these restrictions permitted under Article XIV.

3. Countries employing balance of payments restrictions are required to remove their restrictions as rapidly as conditions permit and a regular consultation procedure is provided to keep these controls under constant review. Countries operating under article XII are required to consult annually and those operating under article XVIII consult every two years.

4. In view of improved conditions in recent years the U.S. feels that progress in eliminating balance of payments restrictions can be accelerated. In particular, actions taken by a number of countries making their currencies convertible for nonresidents has virtually eliminated the financial justification for discrimination against U.S. goods. At present, of the 37 countries participating in the GATT, 25 maintain balance of payments restrictions and 21 maintain some distinctions as to source of supply, which usually means discrimination against U.S. goods. The current situation is as follows:

Countries maintaining restrictions under article XII: Australia, Austria, Denmark, Federation of Rhodesia and Nyasaland, Finland, France, Italy, Japan, New Zealand, Norway, Sweden, Union of South Africa,[3] United Kingdom.

Countries maintaining restrictions under article XVIII: Brazil, Burma, Ceylon,[4] Chile, Ghana, Greece, India, Indonesia,[3] Malaya, Pakistan,[3] Turkey, Uruguay.

5. The great variety of import controls in use and the frequency of changes in the various systems make it difficult to assess their effects or to compare different control systems. The most common form of quantitative restriction is administrative licensing, which to a large extent is operated on a case-by-case basis. Some countries have announced "prohibited lists" of goods for which licenses are normally not issued, while licenses for other goods are issued on an ad hoc basis. Some countries, notably those belonging to the Organization for European Economic Cooperation and the British Commonwealth have published liberalization lists; i.e., lists of goods for which no licenses are required or for which licenses are automatically issued. A country will usually have several such lists, each pertaining to imports from a different group of countries or currency area.

Comparison is difficult, however. One country might have a "prohibited list" while another country has none but simply does not, in practice, issue licenses for certain goods. One country might have a sizable liberalization list but restrict goods in the unliberalized sector severely, while another country has no liberalization list, but, in practice, issues licenses liberally across the board. A country might have a fairly long liberalization list but restrict goods in the nonliberalized sector severely, while another has a shorter list but issues licenses for nonliberalized goods rather freely.

There are, of course, many other types of restrictions. In some countries, foreign exchange is allocated annually, semiannually or even quarterly for imports from different sources of supply and frequently exchange is allocated among different classes of goods. A number of countries requires importers to make advance deposits ranging from a fraction of the value of the goods to be imported to many times their value. Deposits in excess of the value of the merchandise are usually refunded but the importer may have funds tied up in deposits for many months. In addition, in many countries, certain goods can be imported only by government agencies.

6. Table I, attached, shows the principal types of nontariff import restrictions employed by GATT countries and in a number of cases gives a rough indication of the severity of controls and the extent of discrimination. Table II indicates in a general way the types of commodities affected by these controls. Neither table is intended to be exhaustive. Annex I contains more detailed notes on restrictions employed by individual countries.

[3] Nondiscriminatory.

[4] Nondiscriminatory when importation is effected through registered Ceylonese traders.

TABLE I.—*Measures used by GATT countries to impose quantitative restrictions on imports*

(For each country only those procedures independently applied are included. If automatic approval is given to importers applying under one or more procedures if approval has been granted to import a commodity under another procedure, then the former procedure(s) are not included. For example, if a country requires both import and exchange licenses, and the latter are automatically provided for if the former is granted, then the latter procedure will not be mentioned.)

Country	Import licensing	Exchange licensing or permits	Exchange allocation or differential exchange rates	Prior deposits	Comments
Australia	X		X		No discrimination 90 percent of total imports. Import budget set once a year—850,000,000 pounds (U.S. $1,900,000,000).
Austria	X				
Benelux	X [1 2]				
Brazil			X [3]		The foreign exchange budget, established semiannually by the Government, sets the upper limit to imports. Separate auctions are held for convertible currencies, including dollars, and currencies of several countries with which Brazil has bilateral trade agreements.
Burma	X				
Canada	X [2]				Very few items subject to quotas.
Ceylon	X				Licenses for imports from the dollar area freely granted to registered traders of Ceylonese nationality.
Chile				X [3]	5 to 5,000 percent depending on essentiality of the imports.
Cuba	X [2 4]				Some internal taxes affect U.S. exports most adversely.
Denmark	X [1 3]				
Dominican Republic	X [2]				In addition, there are a 12-percent customs surtax, and internal consumption taxes on imports.
Federation of Malaya	X [1]				Only motor vehicles, radio receiving sets, and watches are discriminatorily licensed.
Finland	X				Some important U.S. exports are automatically licensed.
France	X				Internal taxes on large cars have a discriminatory effect.
Germany	X				
Ghana	X [4]				
Greece	X [3]				Many goods are not licensed for importation at all—in effect, prohibited. In addition heavy internal consumption taxes fall most heavily on imports.

See footnotes at end of table.

TABLE I—*Measures used by GATT countries to impose quantitative restrictions on imports*—Continued

(For each country only those procedures independently applied are included. If automatic approval is given to importers applying under one or more procedures if approval has been granted to import a commodity under another procedure, then the former procedure(s) are not included. For example, if a country requires both import and exchange licenses, and the latter are automatically provided for if the former is granted, then the latter procedure will not be mentioned.)

Country	Import licensing	Exchange licensing or permits	Exchange allocation or differential exchange rates	Prior deposits	Comments
Haiti	X [2]				A very few goods, usually controlled by most countries—firearms, explosives, tobacco, etc.
India	X				Deferred credit arrangements must be made in order to import most goods.
Indonesia	X [2]		X	X	Import surcharges are also imposed.
Italy	X				
Japan	X		X	X	Exchange budgets set twice yearly. Prior deposits very minimal impediment—usually not more than 1 percent of import price.
New Zealand	X				
Nicaragua				X [2]	Import licenses are automatically granted if prior deposit requirements are met.
Norway	X [1]				Discriminatory quotas apply only to automobiles.
Pakistan	X [2]				Licensing nondiscriminatory except for some commodities covered by bilateral trade agreements, under Public Law 480 financing, or agricultural commodity agreement with the United States.
Peru	X [2]				Automobiles are only items subject to quota restrictions.
Federation of Rhodesia and Nyasaland	X				Licenses rarely granted for items on the dollar area restricted list.
Sweden	X [1]				There remains only slight discrimination between dollar and nondollar imports.
Turkey	X [2]				Many goods are prohibited from importation.
Union of South Africa	X [2]				Imports of higher priced passenger cars are completely prohibited. Many goods not subject to import controls.
United Kingdom	X				Dollar tobacco imports limited to 61 percent of all tobacco imports.
Uruguay		X	X	X	Surcharges on some imports.

[1] Liberally granted.
[2] Nondiscriminatory application, or very little discrimination.
[3] Substantially discriminatory.
[4] Automatically granted.

TABLE II.—PARTIAL LIST OF GOODS UPON WHICH THERE IS DISCRIMINATORY RESTRICTION AGAINST U.S. EXPORTS

Austria: Cow's milk, certain dairy products, bread and coarse grains, livestock and meat products, sugar and tobacco, television sets, files, button blanks and buttons, metal and plastic skis, cosmetics, oil burners. Textiles—most woven piece goods, upholstery fabrics, cotton yarn and gauze, bed and furniture covers, shawls, scarves; handkerchiefs, and some carpets. Corn and wheat.

Australia: Complete automobiles and lumber.

Benelux: Fruits and vegetables, meat and meat products, dairy products and eggs, potatoes and seed grain, polished rice, methyl chloride, penicillin, automobiles. Netherlands, in addition: Coal, coke, women's stockings, petroleum and petroleum products, a few chemicals, nitrogenous fertilizers, penicillin, soup, nuclear products, sheet glass and glassware, bolts, nails and screws of iron, steel, and automobiles and chassis.

Brazil: All luxury goods and items produced in Brazil in sufficient quantity for domestic consumption. Fresh fruit and wheat by preferential bilateral agreement with Argentina and other items such as oils, ships, and fertilizers by bilateral barter arrangements with East bloc countries.

Burma: Capital and producer goods.

Italy: Milk and cream, grapes, seminola, most crude sugar, soap-making pastes, wines, sulfur, citric acid, crude calcium acetate, tetraethyl lead, certain printing machines and parts, motor vehicles and parts, and small motorcycles and parts, gold and jewelry. Almost all agricultural products and foodstuffs, including beverages and tobacco, explosives, unsensitized film, paper and paper products, textiles, parts of copper, aluminum, magnesium, lead and zinc, certain machines and very many parts of machines. In addition, plastic materials, vulcanized rubber, conveyor and drive belts, fiber glass products, tinplate, packaging machines, electric dishwashers, household refrigerators, power excavators, certain looms and other textile machinery, single-head industrial sewing machines, adding machines, certain calculators and certain cash registers, electric rotary motors and converters and vacuum cleaners, radio and TV receivers, fluorescent lamps, electric tubes, carbons and graphites for use in electricity, motors, picture cameras and sound production equipment, motion picture projectors, and sound recording apparatus, perforated magnetic film and sound pickups. Also meat and fish preparations, wheat, fats and oils, natural honey, food preparations containing cereals, flours and meals, including infant foods or containing vegetables, beverages, including all alcoholic beverages and pharmaceutical products and automobiles for which the present annual quota is $1.6 million.

Canada: Butter, butterfat, cheddar cheese, and dried skim milk. An import quota of 4 million pounds a year for turkeys which is nondiscriminatory. However, the United States is sole foreign supplier of turkeys. Also wheat, wheat flour, and wheat starch; oats, including ground, crushed, and rolled and meals and barley, including ground, crimped meal and flour. Also secondhand automobiles and secondhand aircraft imports are embargoed. Also there are import controls over natural gas and fissionable products and over alcoholic beverages by the various Provinces (States).

Ceylon: Consumer goods, such as radios, refrigerators, automobiles, photographic instruments, and textiles and manufactures.

Chile: All goods require import deposits, depending upon essentiality of the merchandise. These are applied in a nondiscriminatory manner, except for countries with which Chile has compensation agreements.

Cuba: Foodstuffs, beverages, certain office equipment, toilet articles, electrical appliances, photographic equipment, certain automotive chassis, chinaware, and luxury goods are subject to import licenses although these have been granted automatically so far and have had no restrictive effect on Cuban imports. Registration taxes on cars are applicable on an increased scale, depending on the value of the car, which has the effect of being discriminatory on U.S. automobiles. Other restrictive taxes include 15 percent on photographic films and a 20 percent tax on cameras, projectors, and automobiles having a value between $2,300–$3,000 and a 30 percent tax on automobiles with a value of over $3,000. The automobile taxes are in addition to the registration taxes for automobiles previously mentioned.

Denmark: Packaged rice and tobacco manufactures.

Dominican Republic: Rice, wheat, wheat products, sugar products, edible oils, except olive oil, lard and lard products, a 12 percent customs surtax on all imports, internal consumption taxes on hundreds of commodities including many U.S. manufactures.

Federation of Malaya: Motor vehicles, radio receiving sets and watches (the assumption is that these items will be freely licensed).

Finland: Many goods, including chemical raw materials for the pharmaceutical and forest products industries. Many U.S. consumer goods such as refrigerators, washing machines, hand tools, fabrics, yarns, and other textile materials.

France: Hundreds of machinery, industrial equipment, and manufactured consumer goods. Various types of manmade fibers, industrial and laboratory electrical furnaces and ovens, certain types of calculating machines, accounting machines, various chemicals, bearings of all kinds, much electrical and electronic equipment, and various types of machine tools. Dollar automobiles and whisky are treated less favorably in import licensing from the dollar area than from the nondollar area. In addition, though nondiscriminatory, the internal tax on cars is particularly high on those over 16 horsepower.

Germany: Fresh and frozen meats, lard, dairy products, wheat, rye and barley, oats, corn, grain meals, vegetable fats and oils, and fish oils. In addition, vegetable preparations and fruits in small containers, apple juice and pear juice, fresh apples and pears, honey and some dairy products. Also textiles and ceramics. The principal discrimination against U.S. goods is found in meat (bovine) leather. Also, a recently imposed temporary duty on coal imports above a certain duty-free import quota, although nondiscriminatory in application, strongly affects German imports of U.S. coal.

Greece: Textiles, motor vehicles, and certain luxury products, including fur, gold and silver articles, watches and perfumery products. Very rarely licensed are over 50 classes of mechanical equipment considered adequately manufactured in Greece, including a wide variety of agricultural machinery implements, hoisting equipment, power pumps, electric motors, diesel motors, gasoline engines, and generators, all up to 20 horsepower, certain textile machinery and equipment, electric fans, and a variety of other goods. Quotas on tires and tubes, electrical equipment, steel sheets, frozen meat, lumber,

coal, woodpulp, and newsprint discriminate against all countries with which Greece does not have clearing agreements. (Greece does not have a clearing agreement with the United States.) Greece requires prior import deposits of 70 to 140 percent and on textiles up to 280 percent. Heavy consumption taxes fall primarily on imports, among them 25 percent on tires and tubes, 45 percent on air conditioners, 20 percent on washing machines, 35 percent on shoes, 40 percent on cameras, 45 percent on elevators, and 25 percent on photographic paper and unexposed film.

Haiti: Firearms, ammunition, explosives, tobacco, matches, and wheat. Internal tax on wheat flour.

India: All goods. Especially motor vehicles.

Indonesia: All goods. Some goods in bilateral trade agreements are favored.

Japan: All commercial imports must be licensed. Cowhides, beef tallow, lard, soybeans, copper scraps, steel scrap, and pig iron. Also automobiles, industrial and household type sewing machines, band instruments, office equipment, television sets, air conditioners, refrigerators, whisky, fountain pens, and mechanical pencils, fresh blue fin and big-eye tuna, shrimp, and salted salmon eggs.

New Zealand: Practically all imports require import licenses. The principal items from the United States subject to possible discriminatory licensing treatment are: motor vehicles and parts, tractors, engines and parts, sewing machines. Artificial jewels, tire cord fabrics, most textile piece goods, timber, plywood, plastic materials, and synthetic rubber.

Nicaragua: All goods are subject to prior deposits. The size of the prior deposit and the length of time between the making of a prior deposit, and the time of issuing of import license are dependent on the essentiality of the imports.

Norway: Consumer goods. Passenger automobiles.

Pakistan: Luxury goods. Only certain standard makes of automobiles may be imported into Pakistan and all automobiles valued at over $1,155 are prohibited from importation.

Peru: Automobiles. 4,500 vehicles for 1959.

Turkey: All goods are subject to global import quotas. Many goods are prohibited from importation. These are primarily consumer goods and semiluxury products, such as refrigerators; and luxury products such as larger automobiles. Also in the prohibited class are products under state monopoly such as alcoholic and tobacco products.

Federation of Rhodesia and Nyasaland: Over 100 tariff items. Among those for which dollar quotas have been allocated are wheat, piece goods for clothing manufactures, commercial and passenger motor vehicles, stoves, washing machines and refrigerators. Among the goods which are effectively prohibited from importation are many food items such as cheese, jams and macaroni; products of secondary industries such as bags and sacks, hats and clothing and many other consumer and semiindustrial items, among them outer garments, cotton piece goods, hosiery, clothing, electrical machinery and appliances, not industrial, office machines, radios and gramaphones and the like, and bottled and canned soup.

Sweden: Some agricultural, fishery, and a very small number of industrial products.

Union of South Africa: Most imports are subject to license from all countries. Some consumer goods, such as periodical magazines of the pulp variety, jukeboxes and pin tables are effectively not permitted importation. Also cars, exceeding $2,240 in cost are not allowed importation. In effect this latter imposition most adversely affects U.S. exports of automobiles.

United Kingdom: Scientific instruments, certain photographic apparatus and equipment, certain fresh and canned fruit, certain paper and board. Fresh fish, meats, textiles. A number of machinery items including air and gas compressors, and exhausters, dredging equipment, gas and chemical plants, lifting, hauling and transportation equipment, machinery pumps, refrigerators and refrigerating machinery, welding machinery. Valves and tubes, X-ray apparatus. In addition, cotton, tobacco, aircraft, petroleum products and also tobacco and seasonal restrictions on fresh grapefruit.

Uruguay: All goods are subject to import restrictions depending upon the essentiality of the goods in question. The restrictions are more or less levelly applied.

ANNEX I

IMPORT RESTRICTIONS ON U.S. EXPORTS

AUSTRALIA

Australia revised substantially its import licensing regulations on August 1, principally by raising the level of overall imports and by easing the discrimination against dollar goods.

The new regulations authorized an increase in overall annual imports from $1,792 million to $1,904 million, or $112 million, and eased or removed dollar discrimination on about 90 percent of total imports. The principal products remaining subject to a modified form of discrimination are complete motor vehicles and lumber, which constitute a large proportion of the 10 percent of imports still subject to discriminatory licensing. (U.S. exports of motor vehicles and lumber to Australia in 1958 were valued at $12.4 million, and $5.5 million, respectively.)[5]

Almost all other imports into Australia from the United States will be favorably treated one way or another under the amended licensing categories which, provide for new exemptions from licensing, increased quotas, and participation by new importers. Many products are still subject to import licensing, but such licenses once granted may now be used to import the items authorized from any source of supply including the United States. (Prepared by: British Commonwealth Division, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

AUSTRIA

Description of import restrictions

The Austrian foreign trade law provides that all goods enumerated in several appended lists must be exported or imported under license. By means of these lists imports are divided into two major categories, for licensing purposes: liberalized goods and controlled goods. Liberalized goods may be imported pursuant to a so-called general license consisting of a general, published authorization under which individual permits need not be obtained, while controlled goods require an individually validated import license for each shipment. Dependent upon the nature of the goods, application for license must be submitted to the Ministry of Trade and Reconstruction or its field office, to the Ministry of Agriculture and Forestry, or the Ministry of the Interior for approval. The decision of the competent Ministry may be made dependent upon the opinion of an interested trade association, to which the application will be referred for comment.

In allocating licenses to importers account is taken of price, quality, the market situation, the availability of comparable products, and the capacity and status of the importers concerned. Sometimes a comprehensive quota may be granted to an individual firm by means of a general license for the importation of a particular commodity during a limited period of time. On other occasions imports may be subject to certain so-called global quotas which apply either to imports from all sources or to imports from GATT countries and members of the OEEC. For such imports, licenses generally are granted on a pro rata basis. And in other cases reference may be made to the shares of imports of importers in a previous period, but other factors may also be taken into account.

In cases where import licenses are granted there appears to be no unreasonable amount of redtape or bureaucratic delay. The unknown and arbitrary feature of Austria's licensing procedures is the criteria employed in determining what licenses will be granted and to whom.

Exchange regulations which complement the foreign trade law do not restrict payments for imports from countries with which payments are arranged in freely convertible currencies, and from Greece and Turkey. Imports from these countries, among which is the United States, may be paid for in Austrian schillings or in any other freely convertible currency.

Special systems of control and regulation which aim mainly at stabilizing internal prices are in effect for some imports of agricultural products. There are, for example, special marketing laws for cow's milk and certain dairy products, bread and coarse grains, livestock and meat products, and a State price-fixing arrangement for sugar. Generally, price stabilization schemes involve deficiency payments or surcharges on imports depending on whether the price of the imported product is above or below a predetermined price or price margin. Hence, approval for importing commodities within the purview of autonomous agricultural marketing boards must first be received before the import license application may be submitted to the appropriate Ministry for final decision.

Austria's only state trading agency is its Tobacco Monopoly, which is that country's sole importer of tobacco and tobacco products. It tends to favor Near East sources but during postwar years has been obliged to purchase substantial quantities of American tobacco for blending in order to meet consumer preferences sufficiently to maintain sales volume.

Bilateral trade agreements with seven Soviet bloc countries, Chile, Cuba, Egypt, India, Indonesia, Israel, Morocco, Pakistan, Spain, Uruguay, and Yugoslavia are other significant means by which Austria restricts imports. Some of these agreements establish import quotas for goods still subject to individually validated import licenses. Some provide that import licenses will be granted without restriction. And others contain only indicative lists of commodities without fixed quotas.

U.S. commodities against which restrictions are effective

In September 1958, the Austrian cabinet decided to increase liberalization of Austria's

[5] It will be noted that there have been substantial imports of these two items from the United States. Whether or not the removal of discriminatory licensing on motor vehicles and lumber would result in increased imports of these products from the United States would depend largely on the competitive position of such products in the Australian market. There would possibly be some increase in the imports from the United States of lower-priced motor vehicles, particularly those made by Studebaker and American Motors, the so-called independents who presently do not have manufacturing or assembly facilities in Australia. The principal suppliers of lumber to Australia at present are Canada and the United States. However, Canada receives certain duty preferences in Australia on motor vehicles and lumber which might tend to benefit Canada more than the United States if dollar licensing discriminations were removed.

imports from the United States and Canada from 40 to 44 percent (based on 1953 trade with the United States and Canada in private account). This measure, the Austrians declared, would substantially eliminate discrimination in the industrial sector between the licensing treatment accorded Austrian imports from the OEEC area and that accorded imports from the United States and Canada—except for certain textile items which would continue to require licenses for dollar imports. The new list of liberalized commodities, originally promised for November 15, 1958, remains unpublished and there are as yet no positive indications when it will be issued. The Austrian authorities have announced that, in the interim (presumably dating from September 1958) dollar imports of items which will appear on the promised list are to be licensed freely—resulting in de facto liberalization for these items.

Restrictions remain in effect on a long list of U.S. commodities. Included are most agricultural products, some textiles, and relatively few manufactured finished goods, such as television sets, files, button blanks, metal and plastic skis, oil burners, and cosmetics.

Restrictions that are discriminatory against U.S. goods

Discriminatory restrictions against U.S. goods are clearly evident in the agricultural and textile sectors and for some commodities in the industrial sector. While Austria has liberalized about 79 percent of agricultural imports from the OEEC area (1952 base), only 4.5 percent of imports of similar commodities have been liberalized from the United States and Canada (1953 base). Playing a major role in preserving this discrimination is Austria's reliance on bilateral trade agreements, which favor imports of agricultural products from East European and bloc countries. Austrian officials feel that these agreements are needed to protect Austria's export markets. Since the bloc has been either unable or unwilling to supply Austria with acceptable imports other than certain agricultural products, especially grains, to balance its trade deficits, the Austrians are fearful that if Austria's quotas for these products are filled by American commodities, the deficits with the East would remain unresolved. In the textile sector, Austrian officials say that continued Austrian discrimination against certain textile imports reflects world conditions in the textile industry and that restrictions against dollar imports are essential to protect the domestic textile industry which simply cannot compete against the American industry and its lower prices. Some of the textiles on which discriminatory restrictions are expected to remain are most woven piece goods, upholstery fabrics, cotton yarn and gauze, lace bed and furniture covers, shawls, scarves, handkerchiefs, and some carpets. And in the industrial sector, continued discriminatory restrictions are expected inter alia on metal and plastic skis, television sets, and plastic buttons and button blanks.

BELGIUM-LUXEMBOURG

Description of import restrictions

The licensing system of the Belgium-Luxembourg Economic Union (BLEU) has its legal basis in a number of laws passed in these countries which empower the two Governments to control under a common system their import, export, and transit trade. As a result of a simplification of the BLEU licensing procedures effected in October 1957, and subsequently amended, at present only 160 tariff positions, out of several thousand positions and subpositions, are wholly or partly subject to import licensing including the items under the so-called "Benelux global quotas." Most commodities imported into BLEU, therefore, are subject only to the ordinary customs documentation, which includes an avis d'importation (notice of importation) for the purpose of informing the Belgo-Luxembourg Exchange Institute of completed transactions. BLEU controls over imports from both dollar and nondollar sources are identical. In a few cases where licenses are required, they are almost always granted, except for agricultural commodities.

U.S. commodities against which restrictions are effective

Global Benelux quotas exist on a small number of items. These quotas are subdivided into two parts, one of which applies to imports from common market countries and the other to imports from third countries, including the United States. The commodities concerned are: Completely polished rice for human consumption, castor oil other than crude, certain fatty acids, methyl chloride, penicillin, wooden packing cases, fish nets, and new and used automobiles.

Although the United States has particular interest in polished rice, methyl chloride, penicillin, and automobiles, the Benelux countries have stated that the size of the quotas satisfies normal import requirements. There have been no complaints by U.S. exporters about the size of these quotas.

In addition to the global quotas, the BLEU maintains import restrictions on some agricultural products for which BLEU obtained a waiver from GATT in 1955. These products include: Fruits and vegetables, subject to seasonal controls, meats and meat products, dairy products and eggs, potatoes and seed grain.

The above restrictions are applied equally to imports from the United States and third countries.

Restrictions that are discriminatory against U.S. goods

There has, however, been some Belgian interference with the importation of U.S. coal in connection with the current coal crisis in Belgium. At the behest of the Belgian Government, Belgian importers of U.S. coal have privately negotiated with U.S. shippers to reduce the size of coal contracts and to stretch out deliveries of coal beyond the time called for in coal contracts.

BRAZIL

Nontariff restrictions against imports from the United States

Because Brazil currently is faced with a shortage of foreign exchange, a strictly enforced system of exchange controls has been established. The nontariff restrictions against imports are aimed in general at protecting Brazil's balance of payments position and are usually effected through exchange controls.

The amount of foreign exchange to be offered for imports is established in a semiannual foreign exchange budget. The exchange control system of Brazil permits the importation of almost any goods desired, on the basis of open competitive bidding at weekly public auctions for exchange commitment certificates which entitle the holder to apply for foreign exchange cover for imports. Exchange commitment certificates having been obtained, the necessary import license or certificate is automatically issued. The total amount of exchange offered at auction each week is limited. There are two categories of commodities for exchange auction purposes—the general and the special. The largest portion of exchange available for import is allocated to the auction for general category goods, which include those items considered essential to the economy of Brazil. A relatively small amount of exchange is offered for imports of special category goods, which include all items not specifically included in the general category list, and in general include items produced in Brazil in sufficient quantities for domestic consumption and all luxury or nonessential goods.

Exchange is offered at separate auctions for convertible currencies and for various bilateral agreement currencies. Because of the greater demand for convertible currencies and as a result of competitive bidding, the cost of such currencies usually is higher than the cost of other currencies in the same category. The Brazilian authorities set minimum auction rates for all the various nonconvertible currencies, however, to reduce the differences in cost between them and convertible currencies. Exchange commitment certificates for bilateral currencies are auctioned in accordance with the availabilities of such currencies, and import licenses are generally limited to specific commodities and to the individual quotas specified in Brazil's trade agreement with the respective country.

Certain essential imports such as petroleum, wheat, books, newsprint, and government imports, are affected through preferential exchange rates, within specific exchange quotas in the semiannual exchange budget. The preferential exchange rate, however, is the same for all currencies.

Through a bilateral agreement with Argentina, foreign exchange for imports of fresh fruit is negotiated on the free market. Because the free market rate is much lower than the average exchange rate for the special exchange category, in which fruit is classified, this may be considered a discriminatory practice.

The importation of wheat is restricted to purchases by the Brazilian Government, and for the most part is in accordance with a bilateral agreement with Argentina.

Although private barter arrangements are generally not allowed under existing regulations, the Government of Brazil has been entering into barter arrangements, usually with countries outside of the convertible currency area, such as the exchange of coffee or cacao for Russian oil, Polish ships, East German fertilizers, and the like.

Although such discriminatory practices as the fruit and wheat agreements and the barter arrangements give competitors, especially in nonconvertible currency countries, certain advantages as against U.S. suppliers, the total amount of convertible currencies offered for imports is always used. It is doubtful to what degree a reduction of such practices would increase U.S. exports to Brazil, because of the Brazilian balance of payments deficit, unless Brazil reduced exchange controls and allowed commercial imports on the free market.

BURMA

Burma has recently taken steps to eliminate one important feature of her restrictive licensing policy toward dollar imports. Heretofore, almost all Burmese open general licenses have been restricted in validity to imports from nondollar resources. In addition, imports of capital goods not covered by open general licenses have been rigidly screened by various foreign exchange control boards which restricted capital goods imports (mainly imported for us by Government agencies) to nondollar sources. As a consequence, purchases from the dollar area were limited largely to imports of specialized machinery or equipment needed for development purposes and not procurable elsewhere or to U.S. agricultural products imported under Public Law 480 agreements.

Since early 1959, the Burmese Government has indicated that numerous items covered by open general licenses may now be imported also from the dollar area. This move has increased the possibility of selling U.S. goods in the Burmese market except to the limited extent in which some commodities eligible for this liberalized treatment may already be subject to special treatment under Burma's reparations agreement with Japan or under clearing agreements which Burma

has with various Sino-Soviet bloc countries. There is also a strong possibility that the foreign exchange control authorities will now take a more liberal attitude toward the purchase from dollar countries of capital goods and other items not covered under general licenses.

CANADA

Summary of present import restrictions imposed by Canada—material for speech by Assistant Secretary Kearns

Canada eliminated foreign exchange licensing in 1951 and has only a few items subject to quantitative controls. There is no discrimination against the United States.

There are some quotas arising out of the agricultural price support system. (Cf. Annex 1.)

The permanent statutory embargo on the import of oleomargarine, which arises from agricultural protectionism in some provinces, handicaps imports vis-a-vis production in other provinces, but it is of long standing and is not too much removed in purpose from our own import control on butterfat.

The customs tariff prohibits the importation of used or second-hand automobiles and used motor vehicles of all kinds manufactured prior to the year in which importation is sought. Second-hand aircraft imports, regardless of the year of manufacture, are also embargoed.

In view of the size of the Canadian market vis-a-vis the United States, these would not seem to be prohibitions the Assistant Secretary would want to make a case on. Canada would be too vulnerable.

The control over the import of natural gas would also seem unsuitable for publicity purposes because of the relation of the item to the continental supply picture. The import control on fissionable products may ultimately be important in the protective sense but it is not now.

Imports of alcoholic beverages are controlled by license of the provinces which have a monopoly of sale. Most provinces are willing to give hotels and clubs permits to import but the provincial liquor board stores will carry only token quantities because of the alleged small demand. There is only a small import but it is difficult to state the reasons precisely. Some of our States have similar monopoly practices in whiskey sales. There is apparently some discrimination in provincial taxation of imported beer. Wine imports from the United States are discriminated against by the tariff preference to Commonwealth suppliers. (Prepared by British Commonwealth Division, Bureau of Foreign Commerce, August 20, 1959.)

Annex 1.—Canadian import restrictions on price supported agricultural products

At the present time there is a virtual embargo on commercial imports of butter, butterfat, cheddar cheese, and dried skim milk with imports in small quantities for personal use, permitted under general license. An import quota of 1 million pounds per quarter has been established for turkeys but this total of 4 million pounds a year is considably below the 13 million pounds imported from the United States in 1956, the last complete year during which imports were unrestricted. The restrictions affect only the United States as the United States has been Canada's sole foreign supplier of turkeys.

Wheat, wheat flour, and wheat starch; oats, including ground, crimped, crushed, rolled, and meal; and barley, including ground, crimped, meal, and flour are subject to import licensing by the Canadian Wheat Board, which is the Government marketing agency for these grains produced in the prairie Provinces. Imports are small but in view of the competitive strength of Canadian production cannot be said to be directly reduced by the restriction.

CEYLON

Ceylon's import control policies have been directed toward the regulation of the country's imports in the light of its balance-of-payments position, the protection of domestic industries, and the diversion of the country's trade into the hands of Ceylonese nationals.

While most goods may be imported into Ceylon either under open general license or general import license from most countries of the world, a substantial number of items require an individual import license if imported from the dollar area. Ceylonese traders are issued licenses freely for all goods under license from the dollar area but non-Ceylonese firms are issued limited licenses based on their past trade. In the case of new products, the latter firms must rely upon ad hoc import licenses, which are often difficult to obtain.

Most of the goods under individual import license from the dollar area are considered consumer goods, such as radios, refrigerators, automobiles, photographic instruments, and textiles and manufactures.

CHILE

The only nontariff restriction imposed by Chile is a requirement that importers must place a prior import deposit ranging from 5 to 5,000 percent of the value of the importation, depending on the essentiality of the merchandise. The import deposit is made prior to the importation of the goods and is retained by the Central Bank for a period of 30 or 90 days, again depending on the essentiality of the goods. In general, the import deposits are highest on consumer and luxury goods, and those goods that are produced by Chilean industry in sufficient quantities. The import deposit system, in general, is applied without discrimination, the only exception being that in regard to imports emanating from countries with which Chile has compensation agreements the import deposit may be waived.[6]

Apart from the import deposit requirement, the only other restrictions on imports into Chile are the import duties, sanitary and other public health requirements, etc.

CUBA

Cuba does not employ any direct discriminatory trade restrictions against U.S. goods. In February of this year, a selected list of approximately 187 commodities were placed under import control. Importers require import licenses from the Monetary Stabilization Fund for those commodities shown on the list, and such imports must be financed by letter of credit only within 30 days after the issuance of the license. Those regulations have not yet been applied in a restrictive manner, other than the requirement of financing by letter of credit. The list covers a wide range of commodities, including foodstuffs, beverages, certain office equipment, toilet articles, electrical appliances, photographic equipment, certain automotive chassis, chinaware and luxury goods.

The new tax reform law provides for certain internal taxes which are of a discriminatory nature as regards U.S. goods. One is the automobile annual registration tax which ranges from $29 to $5,000 for the first year of registration, the amount of the tax depending on the value of the auto. The minimum tax of $29 applies to autos having a value of up to $1,500; this would exclude all U.S.-origin autos, but would apply to automobiles from practically all other automobile manufacturing countries. Cars having a value of $1,501 to $2,300 are subject to a tax of $75; from $2,651 to $3,000, a tax of $500 is payable; and over $3,000, the first year registration tax will amount to $5,000. This legislation will undoubtedly have a restrictive effect on American car imports in favor of English, German, and French autos.

Other restrictive taxes include the new internal consumption taxes provided for in the new law on manufactured goods not made in Cuba for example, there is a 15 percent tax on photographic film, 20 percent tax on such items as cameras, projectors, and automobiles having a value between $2,300 and $3,000, and a 30 percent tax on autos with a value of over $3,000. Items not classified in the consumption tax schedule are subject to a 10 percent tax which would cover a wide range of American goods not manufactured in Cuba.

The import licensing requirements, as mentioned previously, do not appear to have had any restrictive effect on imports of U.S. goods up to the present time. Because of the proximity of Cuba and frequent sailings, it would also appear that the letter of credit requirement on imports of the commodities on the controlled list, has not had a significant restrictive effect on imports since bank credit has reportedly been available.

DENMARK

Denmark maintains import controls on a limited number of agricultural and industrial products. Licenses are granted for non-liberalized goods either on a regional quota basis or by individual license on a case-by-case basis.

On April 1, 1959, Denmark increased its dollar liberalization from 70 to 88 percent (on the basis of 1953 imports), eliminating all discrimination against dollar goods in the liberalized sector of Danish import trade.

In general, Danish import regulations have more restrictive effect on consumer goods than on commodities used by industry. Among the goods against which restrictive measures are effective are packaged rice and tobacco manufactures. Rice, except rice in retail packages, may be imported freely. Denmark has required an import license for rice in retail packages since 1932, effective for all countries. Cigarettes are still among the products subject to import license from all sources. Tobacco products, including cigarettes, may not be imported into Denmark for internal consumption. Imports of tobacco products for internal consumption are not expected to be liberalized in the near future.

Effective March 1, 1959, the same liberalized list was applied to the OEEC and the dollar areas. Technically, there is no discrimination in import licensing between the two areas. However, the regionalized quotas do not apply to the dollar area, and the purchase of those commodities from the dollar area requires an individual import license, which is granted provided price and quality conditions make the import desirable.

DOMINICAN REPUBLIC

The Dominican Republic does not employ any discriminatory import restrictions on U.S. products. Quantitative restrictions were imposed on milk (in all forms) in September 1958 but they were relaxed in June 1959 by the granting of import quotas to importers on a historical basis. Milk imports from the United States have not been significant.

Import licenses are required for few commodities, including rice, wheat and wheat products, sugar products, edible oils (except olive), lard and lard products. Rice imports are negligible; wheat and wheat flour imports are principally from the United States (about 65 percent of total).

An internal consumption tax was established on 55 different commodity classifications, including many manufactured goods which are generally imported from the United States. The internal consumption tax ranges from 5 to 15 percent ad valorem on most commodities while the remaining

[6] Compensation agreements calling for payment clearance through accounts established with the respective Central Banks exist with Argentina, Brazil, Bolivia, Ecuador, Spain, and Yugoslavia. Also, clearing agreements exist between the Chilean Nitrate Corporation (Covensa), an autonomous government agency, and Denmark, Sweden, France, and Egypt.

are taxed on a specific basis. The tax is applicable to imported commodities only. Since some of the items covered by the list are not manufactured domestically, the tax is discriminatory against imports. The internal consumption tax is an import restrictive tax.

A customs surtax of 12 percent is imposed on all imports and exports. As it applies to commodities not manufactured in the Dominican Republic, the surtax is restrictive in nature.

There are no exchange restrictions.

FINLAND

Under the import control procedures which the Finnish Government maintains for balance-of-payments reasons goods subject to import licensing requirements may be divided into two main categories (1) imports which are licensed automatically or without quantitative restrictions (2) goods which are licensed under a global quota system. In addition certain commodities such as chemical raw materials for the pharmaceutical and forest products industries are licensed according to existing need.

Import licenses are issued automatically for certain specified goods which may be imported from (1) countries with which Finland still has bilateral trade agreements (2) from the dollar area (3) from those sterling area countries which remain outside the free list system. Certain goods, which for technical reasons have been designated for automatic licensing, are licensed automatically when they are imported from and originate in free list countries and sterling area countries outside the free list system. Under global quota licensing only certain quotas are open for dollar area participation.

On April 10, 1959, further relaxation of restrictions on imports from the dollar area were undertaken. Additional global quotas were opened to dollar imports and licensing of dollar imports without quantitative restriction was administratively extended to a broad range of commodities.

In the latest relaxation there have been important gains in items in which the United States is interested, e.g., dried fruits, auto parts, raw materials, additives, and production materials for the food industry; raw and other materials for the chemical industry.

The Finnish import restriction effectively limits imports of many U.S. consumer goods, especially such durables as refrigerators, washing machines, handtools, and fabrics, yarns, and other textile materials.

The disparity between treatment accorded United States and Western European imports has been reduced rapidly over the last few years.

FRANCE

At the present time, France's principal import regulatory instrument is the quota restriction, implemented through a licensing system. All nonliberalized goods require an import license, which, if granted, automatically assures the importer of access to the necessary foreign exchange.

Internal taxes affecting U.S. imports may be considered significant deterrents to importation in only a limited number of instances. For example, an automobile tax applies to cars; it is particularly high on cars of over 16 horsepower, and thus principally affects U.S. automobiles.

The French import licensing system has restricted the French market for imports of U.S. machinery, industrial equipment, and manufactured consumer goods of all kinds.

There are two main areas of discrimination against U.S. exports currently in effect. One is the significant disparity between the OEEC and dollar liberalization lists. The other is discrimination in the administration of the licensing system for nonliberalized products. Although a percentage comparison may not be completely accurate because of different base years involved some idea of the difference in liberalization existing is given by the fact that to date France has freed approximately 93 percent of OEEC imports from quantitative restrictions, but only about 60 percent of dollar goods. Products liberalized for import from OEEC countries but as yet still under license from the United States include, for example, various types of manmade fibers; industrial and laboratory electric furnaces and ovens; certain types of calculating machines; accounting machines; various chemicals; bearings of all kinds; much electrical and electronic equipment; and various types of machine tools.

Each request for an import license for nonliberalized goods is considered on a case-by-case basis and the decision as to whether to grant a particular license is made by French authorities after considering the essentiality of the goods to the French economy, availability in the local market and other factors. Except for a few items (automobiles, whisky, e.g.) the size of quotas is not disclosed by the French Government. Dollar automobiles and whisky are treated less favorably than are similar items from nondollar areas. The licensing authorities in the past, however, have tended to grant licenses more liberally for goods from France's Common Market partners and other OEEC countries than from the United States. This has affected U.S. machinery and equipment and many consumer durable goods, such as radios, television sets, etc.

FEDERAL REPUBLIC OF GERMANY

Description of import restrictions

German import restrictions, other than those maintained for sanitary reasons, operate through a system of import licensing which differentiates among imports from three broad areas, to each of which a list of license-free commodities is applied. List A countries are those of the OEEC area; list B countires are the so-called "other soft currency area"; and list C countries are those effecting payments in dollars—the so-called dollar area countries.

A larger number of commodities have consistently appeared in list A than in lists B and C. This difference, representing a more liberal licensing treatment toward imports from OEEC countries than from all other countries including the dollar area, has been termed the discriminatory gap. At the 14th session of the GATT in June 1959, Germany undertook a program to liberalize imports from all areas in several steps, beginning in July 1959 and continuing on January 1, 1960, December 31, 1960, and July 1, 1961, with a reexamination of the status of the program in July 1962. At the same time Germany identified a list of items, primarily textiles, which could not presently be scheduled for liberalization but which would be the subject of continuing consultations looking toward specific dates for liberalization. Germany was also authorized by the GATT to maintain import controls for 3 years on various agricultural items (marketing law items) subject to domestic agricultural support programs, and was permitted to restrict imports of neat leather, imitation pearls and jute fabrics for 5 years (the so-called hard-core waiver) under progressively expanding quotas. The same GATT session authorized de facto liberalization (unlimited global import tenders) for certain agricultural items.

U.S. commodities against which restrictions are effective

The principal U.S. commodities against which German import restrictions are effective are included in the list of marketing law items, which are subject to state trading and domestic agricultural support programs. These include fresh and frozen meats, lard, dairy products, wheat, rye, barley, oats, corn, grain meals, vegetable fats and oils, and fish oils. Outside the marketing laws, but subject to continuing restrictions, are vegetable preparations and fruits in small containers, apple juice and pear juice, fresh apples and pears, honey, and some dairy products.

The industrial sector, except for about 50 low-cost Asian items—textiles and ceramics—is substantially covered by specific schedules for future liberalization.

Restrictions that are discriminatory against U.S. goods

The principal discrimination against U.S. goods is found in neat (bovine) leather which has been made the subject of a 5-year hard core GATT waiver under progressively expanding quotas. This waiver was obtained because of fear of the effects of competition from U.S. neat leather.

A recently-imported temporary duty on coal imports above a certain duty-free import quota strongly affects German imports of U.S. coal. This measure was taken in the context of rapidly increasing stockpiles of German domestically mined coal which posed serious economic and political problems.

GHANA

Summary

Ghana maintains a system of trade controls which in theory discriminates against U.S. imports in the sense that licenses are required for most dollar imports while nondollar imports are freely permitted under open general license. However, in practice licenses are issued as a matter of routine upon application. Some dollar imports are decontrolled entirely.

Description of control system

Ghana's trade control legislation is modeled after the United Kingdom's trade control system with specific import licenses being required for dollar purchases. The intent of the screening in the past (prior to independence) was to restrict dollar purchases to essential goods not available in soft currency countries. Since independence, the system has been maintained because the Government, as an economy dependent on cocoa, wished to retain a control system on foreign trade "in the event an emergency arose."

However, in practice the control system of Ghana has been so liberally administered that there has been no difficulty in importing U.S. products into Ghana. There have been no known instances where import licenses for dollar goods have been refused within the past 18 months. As a matter of fact, Ghanian officials have pointed out that with additional sales efforts purchases of dollar goods, including luxury items, could be significantly increased.

Import restrictions of Ghana

In July 1959 Ghana announced decontrols on several significant categories of goods, by permitting the importation under open general license of motor vehicles and spare parts, cash registers and parts, tractors and parts, earth moving machinery and parts, newsprint, salmon and salmon trout, in addition to wheat flour which was previously decontrolled.

GREECE

Although more than three-quarters of imports into Greece are free from licensing and exchange controls, Greece restricts imports of both freed and licensed items by requiring advance deposits, by denying in-bond privileges to a number of items, and by application of heavy-consumption taxes.

Three categories of goods remain subject to licensing controls. The first includes textiles, motor vehicles and certain luxury products (fur, gold and silver articles, watches and perfumery products).

The second covers over 50 classes of mechanical equipment considered adequately manufactured in Greece (including a wide

variety of agricultural machinery and implements; hoisting equipment; power pumps, electric motors, diesel motors, gasoline engines and generators, all up to 20 horsepower; certain textile machinery and equipment; electric fans and a variety of other goods). For all practicable purposes, products included in this category are prohibited since licenses are seldom issued.

The third category consists of nine commodities which are subject to global quotas which are not applicable to countries with which Greece has clearing agreements. Under quota controls are tires and tubes, electrical equipment, steel sheets, frozen meat, lumber, coal, woodpulp, and newsprint.

For virtually all items imported by sight draft, a deposit of either 70 or 140 percent of the cost, insurance, and freight invoice value is required and all such items are denied in-bond privileges, precluding partial delivery to importers. For textiles the advance deposit was recently increased to 280 percent with a simultaneous increase in duty.

Heavy consumption taxes, in theory applicable to both imports and domestic goods but in reality levied on imports alone in absence of domestic production, also have a restrictive effect. Tires and tubes are taxed at 25 percent, air-conditioners 45 percent, washing machines 20 percent, cheese 35 percent, cameras 40 percent, elevators 45 percent, and photographic paper and unexposed film 25 percent.

The depressive effect of Greek restrictions on imports is difficult to measure except that goods considered adequately manufactured in Greece and subject to licensing are prohibited for all practical purposes. Quota controls do not appear to have affected U.S. trade in tires and tubes and no complaints have been received about the licensing of vehicles.

While there is no discrimination specifically directed at U.S. goods, importers of U.S. goods are at a disadvantage since duties and taxes are levied on cost, insurance, and freight value making transportation costs a heavier factor in landed cost than is the case for competing European goods. Similarly, importers of goods requiring advance deposits have higher financing costs when importing from the United States because of the longer time interval between ordering and arrival of goods.

Net effect of all restrictions is incalculable since total imports into Greece have increased every year since 1952 with the result that in 1958 imports of $565 million were 63 percent above 1952. Imports from the United States have fluctuated widely, depending on the level of aid and Public Law 480 shipments.

HAITI

Import licenses are required only for the importation of firearms, ammunition, explosives, tobacco, matches, and wheat.

Foreign and domestic sales and purchases of tobacco and matches are controlled by the Haitian Regie du Tabac et des Allumettes, the Government tobacco and match monopoly.

Haiti is signatory to the International Wheat Agreement and a license is necessary for wheat grain or wheat flour imported under the agreement. There are no restrictive regulations relative to the importation of wheat or wheat flour outside the agreement. There is also an internal tax imposed upon wheat flour, which combined with the import duty on wheat flour makes the importation of this item into Haiti prohibitive, not only for U.S. flour but for flour from other sources as well.

None of these restrictions are technically discriminatory against the United States as compared with other countries nor are they imposed more severely upon U.S. goods than upon imports from third countries.

INDIA

While India continues to maintain a tight overall restriction of imports which limits foreign purchases largely to capital goods or other commodities satisfying a strict criteria of essentiality, it has reduced considerably the disparity which formerly favored "soft currency" imports over dollars goods. Until recent years, imports of dollar goods were limited essentially to specialized types of goods and equipment not procurable from other sources because of quotas which specified the sterling area as the only permissible source of imports of other types of merchandise. This requirement was enforced because of India's obligations under her sterling bloc participation and because of India's relatively favorable sterling position.

Now, however, the range of potential dollar imports has been widened considerably by an enlargement of the number of individual commodities which can be imported from either general (dollar area) or sterling sources and by the ruling that even where import quotas are shown only for sterling areas, a percentage of the quota may be used for purchase from the dollar area. For example, India now permits importers to use at least 50 percent of the value of "soft currency" licenses for imports from the dollar area and also provides that importers desiring to utilize a higher proportion of licenses for dollar imports may be permitted to do so under certain circumstances. Licenses with a face value of less than 5,000 rupees (1 rupee equals US$0.21) can be utilized to the full extent for imports from the dollar area.

With the adoption of this more liberalized treatment of dollar area imports, there is only one other remaining major nontariff procedure which in effect discriminates against U.S. exports. This is the limitation of imports of (completely C.K.D.) automobile, bus, and truck units to manufacturers in India (both foreign and domestically owned) which have approved plans for progressive manufacture of those vehicles in India. No American companies were willing to agree to a phased program leading to full-scale manufacture of such vehicles in India.

It might be noted, also, that with a view to conserving foreign exchange expenditures on capital goods imports, the Indian Government has been requiring for the past 2 years that importers arrange to purchase many categories of capital goods through deferred credit arrangements. Since April 1959, the Government has imposed this procedure even more strictly and now permits imports of many types of capital goods only if covered by long-term credits or by equity investments. This requirement is imposed with no intention of discrimination as between currency areas but to the extent that American suppliers find it more difficult to furnish long-term credit or equity investment than some principal competitors, it could indirectly limit the scope for U.S. exports to India.

INDONESIA

Indonesian regulations do not provide for quotas or discrimination as to country of origin of goods. However, there is some administrative screening of import applications with a view to fulfilling tentative bilateral trade agreement commitments and restricting the overall amount of foreign currencies allocated for imports.

Imports must be paid for by coverage with export certificates, the cost of which has been officially maintained at 332 percent of the rupiah's nominal value (i.e., 37.8 rupiah per U.S. dollar). Goods for importation are classified into six priority groupings ranging from highly essential to luxury. For each group, an additional import surcharge, expressed as a percentage of the c. & f. value of the goods (from 0 to 175 percent), is fixed. The classifications are subject to continual review and there are frequent transfers of individual goods from one group to another. Large advance deposits must be paid by importers at the time import applications are submitted.

Some imports are restricted to Government-controlled companies. For example, rice, textiles, cement, tinplate, raw cotton, cotton and rayon yarns, paper, flour, and fertilizers can only be imported by designated companies which are controlled by the Government.

ITALY

Description of import restrictions

These vary according to currency area. For the OEEC area and since, June 9, 1959, for the dollar area, so-called "negative" lists name the items that are subject to quantitative restrictions and individual import license. All items not on those lists are free of quantitative restrictions and in the case of the OEEC countries require no license. In that of the dollar area, they still require a license as a matter of form. Goods on the aforementioned negative lists are licensed on an ad hoc basis within quota limitations. The negative dollar-area list of goods subject to individual license is very long, including about 45 percent of the Italian tariff positions. The OEEC negative list amounts to a bit more than 1 percent of the same. There is a free list of imports from certain non-dollar and non-OEEC countries with which payments are settled in transferable lire through clearing accounts in accordance with multilateral payments agreements. Imports from other countries are effected, as a rule, on the basis of global compensation.

U.S. commodities against which restrictions are effective

The 45 percent of Italian tariff positions (3,006 items or sub items of 6,785) still subject to quantitative restrictions, that is, to license on an ad hoc basis include almost all agricultural products and foodstuffs, including beverages, and tobacco; explosives; unsensitized film; paper and paper products; textiles; products of copper, aluminum, magnesium, lead and zinc; certain machines and very many parts of machines, and other categories of goods of varying export possibility and interest with respect to Italy.

Many of the dollar-area liberalized items have little or no trade significance for the United States. Many of the items not liberalized as of June 9, 1959, the effective date of the latest and very considerable extension of Italy's dollar-area liberalization, are, however, freely licensed and their inclusion on the negative list (of items still de jure subject to quantitative restrictions) is no real barrier to the U.S. export trade. Again, many of the items not liberalized have little or no importance in real trade, actual or potential, so far as the United States is concerned.

Among the more important U.S. export commodities against which Italian restrictions are effective and are real barriers to our export trade we may mention, in addition to the many parts of machines for which the license requirement is perhaps more of a nuisance than a barrier, the following as examples: Certain plastic materials (condensation, polymerization, and copolymerization products), especially regenerated cellulose, cellulose acetate plastics, and vulcanized fiber; valcanized rubber conveyer and drive belts, fiberglass products, tinplate (which is not even licensed in Italy from the United States except on a temporary basis to be made into cans for good export); packaging machines; electric dishwashers; household refrigerators; power excavators; certain printing machines; certain looms and other textile machinery; single-head industrial sewing machines; adding machines; certain calculators; cash registers (except keyboard models with over five totalisators, etc.); electric rotary motors and converters; vacuum cleaners; radio and TV receivers; fluorescent

lamps; electric tubes; carbons and graphites for use in electricity (about which complaints of refusal to license have been received; motors; picture cameras and sound reproduction equipment (except 8 mm.); motion picture projectors; sound recording apparatus (except with discs and plastic belts), playbacks, and combined recording and playback sets; perforated magnetic film and sound pickups.

In addition to the above items, on most of which the United States has obtained direct tariff concessions from Italy under the GATT, certain agricultural items of interest, some of them likewise the object of direct Italian GATT concessions to the United States, may be mentioned in addition to wheat (which is imported by the Italian Government Federconsorzio (Farmers Cooperative Confederation)—e.g., meat and fish preparations; fats and oils; natural honey; food preparations containing cereals, flours and meals (including infant foods) or containing vegetables; beverages, including all alcoholic beverages; pharmaceutical products.

Restrictions that are discriminatory against U.S. goods

Discrimination against United States and other dollar goods is obvious and its measure indicated by the fact that the dollar negative list comprises about 45 percent of the Italian separate tariff (statistical) classifications or 3,006 of the 6,785 positions, while the OEEC negative list includes only slightly over 1 percent of the same or 71 items or subitems of the 5,237 old tariff positions in which that OEEC list is stated. We have mentioned under the preceding heading, some of the important U.S. products affected under the list by this discrimination. Automobiles may be added to this list (the present licensing quota for U.S. cars amounting to $1.6 million). It is doubtful, however, how many more American cars could be sold in Italy at the present time, due to high tariffs, taxes, operation and maintenance costs. However, at such time as smaller American cars are produced in number, the present restriction, if maintained, could well be a real barrier of considerable importance.

JAPAN

The Japanese Government has utilized its exchange and import licensing controls to accord priority for the importation of foodstuffs, raw materials and machinery for essential industries and to minimize or completely prohibit the importation of other types of goods. In recent years decided progress has been made in reducing discrimination against dollar area goods and in liberalizing payments.

The most important features of the Japanese restrictive system are licensing requirements for all commercial imports, mandatory surrender of all exchange earnings, and the allocation of foreign exchange for imports under semiannual foreign exchange budgets. Although Japan has moved away from bilateral open-account trade and payments arrangements (only those with the Republic of China, Republic of Korea and Greece are currently in effect) these agreements which in 1955 numbered 25, have been, in varying degrees, discriminatory toward the United States. In addition to these open-account agreements, Japan has concluded approximately 30 bilateral trade and financial arrangements many of which have not been made public. There has been a tendency to favor countries with whom agreements were in effect in granting licenses for imports of certain products in order to fulfill the terms of the agreement even if the same or similar commodities were available at lower prices from the dollar area.

Allocations for imports under the exchange budgets come under two broad systems of licensing—the Automatic Approval (AA) system and the Fund Allocation (FA) system.

Under the AA system licenses for listed commodities from specified areas are issued freely upon application at any time so long as the total amount appropriated for the system in the exchange budget has not been exhausted. While the discrimination by currency area on imports under the AA system has been progressively reduced there were in the most recent exchange budget (April-September 1959) 10 commodities which still could not be imported under this system from the dollar area. Of these the following are of considerable importance to U.S. trade: (1) Cowhides, (2) beef tallow, (3) lard, (4) soybeans, (5) copper scrap, (6) steel scrap, and (7) pig iron. Most of these commodities are licensed for import from the dollar area under the FA system, described in the next paragraph, whereby individual licenses are issued. In most instances the United States is Japan's major supplier.

Under the FA system quantitative limits for specific commodities are set in the semiannual foreign exchange budgets against which individual import licenses are issued. With few exceptions, where consideration is given to trade commitments, imports under the FA system are now on a global basis and are nondiscriminatory. The FA system has been liberalized to the point where almost 95 percent of the total budget under this system is on a global licensing basis.

Although a large portion of Japan's exchange allocations are made on a global basis this is not true with regard to many consumer goods and certain types of machinery and equipment. The issuance of import licenses, especially for the dollar area, and the United States in particular, for items considered "nonessential" or for which there is adequate domestic production are held to a minimum. It appears that such licenses that are issued serve to fulfill commitments under formal bilateral agreements and more recently under special deals worked out with a number of countries. Among the commodities subject to such restrictions which are important to U.S. trade are: Automobiles, industrial and household type sewing machines, band instruments, office equipment, television sets, air conditioners, refrigerators, whisky, fountain pens and mechanical pencils, fresh blue fin and big eye tuna, shrimp and salted salmon eggs.

In spite of these restrictions Japan is in 1959, as in 1957, our second best customer after Canada, taking U.S. exports valued at $438 million in the first half of 1959.

FEDERATION OF MALAYA

The Federation of Malaya has greatly liberalized its import licensing system this year. The most recent step removes restrictions on the direct import of all goods from the dollar area effective August 1. (This move followed initial liberalization action effective January 1.)

In addition to removing restrictions on direct imports, the Federation's latest action also dropped the requirement of special licenses for imports from the dollar area, thus placing imports from the dollar area on the same basis as imports from Western Europe (that is, most goods may now be imported under open general license). Dollar exchange is now freely obtainable by Malayan importers for all goods from the United States.

With the most recent changes the Federation of Malaya has wiped out all but a residue of discrimination. Specific licenses are still required for motor vehicles, radio receiving sets, and watches from nonsterling areas whereas they are admitted under open general license from the sterling area. The presumption, however, is that imports of these three items from nonsterling sources (including the United States) will be freely licensed, since this was the treatment which has been accorded such imports from Western Europe.

NETHERLANDS

1. The Netherlands requires import licenses for only approximately 120 products out of several thousand tariff items. This requirement is applicable to all countries, including the United States. Most of these products are subject to Netherlands or Benelux global quotas. Import licenses, where still required, are usually granted liberally. The European Division has received no complaints from U.S. exporters that either the licensing system or the quotas have limited their trade with the Netherlands. It is possible that quotas may be expanded to permit additional imports from the United States and other countries. Both the import licensing system and the quotas appear sufficient to accommodate U.S. exporters.

2. The commodities subject to the above licensing requirements include certain animals, poultry, meats, eggs, dairy products, rice, margarine, fresh fruits and vegetables, coal and coke, women's stockings, crude petroleum and petroleum products, a few chemicals, nitrogenous fertilizer, penicillin, soap, nuclear products, sheet glass and glassware, bolts, nails, and screws of iron or steel, and automobiles and chassis. Crude petroleum, petroleum products, and women's stockings are among the principal products subject to import licensing requirements but not subject to quotas.

3. These restrictions do not discriminate against U.S. goods.

NEW ZEALAND

Practically all imports into New Zealand require import licenses obtained by importers in advance of shipment. The 1959 Import Licensing Schedule released in October 1958, although providing for a substantial reduction in total imports from 1958 levels, liberalized the licensing of dollar goods mainly through the establishment of global quotas. Only 59 items out of a schedule of 1,050 items do not necessarily receive the same licensing treatment when they come from dollar countries or nondollar sources. These items, however, covered from 25 to 33⅓ percent of U.S. exports to New Zealand in calendar years 1956 through 1958.

Most imports from dollar sources receive nondiscriminatory licensing treatment. Licenses are granted in accordance with established percentage global quotas for specified items or on an individual merit basis with no regard to the country of origin. The principal items from the United States remaining subject to possible discrimination licensing treatment are: motor vehicles and parts; tractors, engines, and parts; sewing machines; artificers' tools; tire cord fabrics; most textile piece goods; timber; plywood; plastic materials; and synthetic rubber.[7]

[7] The complete removal of discriminatory licensing treatment for all dollar imports would most likely increase New Zealand imports of the above-mentioned goods from the United States. Substantial imports of U.S. motor vehicles, tractors, timber, and artificers' tools have continued for years despite discriminatory restrictive licensing treatment because of the need for such essential products and the relative inability to obtain these products in the types and quality desired from other sources. U.S. exports of the newer products i.e., tirecord fabric, plywood, plastic materials, and synthetic rubber for which new sources of supply are being found in the nondollar area are seriously affected by the discriminatory licensing treatment accorded these items. These products are generally subject to low rates of duty with little or no margin of preference. The elimination of discriminatory licensing treatment for these commodities coming from the United States would provide equal opportunities for the sale of such goods in New Zealand and probably increase the U.S. exports of these goods to New Zealand.

(Prepared by British Commonwealth Division Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

NICARAGUA

For all practical purposes, Nicaragua's nontariff barriers to imports are limited to the import licensing system which is an adjunct of the country's exchange control regulations. However, under this system, licenses are granted for any and all products provided importers meet deposit requirements. Quantitative quotas do not exist, and there is no discrimination as to country of origin.

Briefly, Nicaragua classifies imports into three categories or lists: List 1, so-called essentials; list 2, lesser essentials; and list 3, items considered nonessential. There is no deposit requirement for items in list 1. But, for lists 2 and 3, importers in order to obtain necessary exchange authorizations, or import licenses, must deposit in a Nicaragua bank 100 percent of the c.i.f. value of the proposed import. In the case of list 2 goods, licenses are issued within 48 hours of making the deposit; for list 3 item, licenses are issued 30 days after deposit is made.

This particular system, in effect since mid-1955, has undergone several major revisions, all aimed at further checking imports to conserve foreign exchange. Yet, the level of Nicaragua's imports over this period has not been materially affected, though a higher level of imports possibly would have been achieved if such restrictions had not been in force. Doubtless, the requirement of a 100 percent deposit for items in lists 2 and 3, and the 30-day license-wait for the latter, tend to impede imports of affected items. However, lack of time and peculiarities of Nicaraguan statistical practices make impossible a determination of the percent of total imports represented by each of the three lists.

Nicaragua's imports in 1955 amounted to $69.6 million; inched down to $68.8 million in 1956 (a year in which various adverse factors prevailed); rose to $80.9 million in 1957; and slipped to $77.9 million in 1958. The year 1958 was one of slower business activity in Nicaragua due to various factors including declining prices for coffee and cotton, its major exports. Whether the decline in imports was due to tightening of licensing requirements,[8] or to reduced business activity is problematical. Quite likely both had a bearing, but we incline to the opinion that the business decline was mainly responsible.

Nicaraguan imports from the United States have declined from $45.4 million in 1955 (65.2 percent of total) to $42.8 million in 1958 (54.9 percent of total). This fall is due not to the effects of the country's licensing system, since discrimination by country of origin does not exist, but reflects the post World War II return to a more normal trade pattern.

In short, Nicaragua's licensing system undoubtedly impedes the importation of items from the United States (and elsewhere), although import licenses are freely granted so long as importers meet deposit requirements. The extent to which U.S. exports are affected is very difficult to assess. However, this division has received no complaints from U.S. exporters on this point for some years.

NORWAY

On January 1, 1959, Norway established a list of goods subject to import license to replace the OEEC and dollar import free lists in use prior to this time. At the same time the license list was made the same for both OEEC and dollar commodities. This action followed the introduction of limited convertibility on December 29, 1958. On July 1, 1959, the Norwegian Government removed additional commodities from license control. By this action 91.7 percent (based on 1953 private trade) of Norway's imports from the dollar area was liberalized.

Even though a varied list of products are still subject to import license the operation of the import control system has been rather liberal during the recent period. The limiting effects on U.S. commodities has been chiefly in the field of consumer goods. One of the more outstanding U.S. export commodities seriously affected by the import restriction is passenger automobiles. Although import quotas have been established for passenger automobiles of Western European origin no participation has been granted U.S. vehicles. A limited number of passenger automobiles have been permitted entry under a small separate global taxicab quota.

PAKISTAN

All imports into Pakistan are under individual license and are rigidly controlled. In fixing the import policy for each licensing period (January–June and July–December), the foreign exchange available, both earned and from aid sources, is estimated and import licenses are issued on the basis of this estimate. Since the military takeover in October 1958, the Government has followed a policy of restricting the importation of nonessentials and has stressed the importation of raw materials, spare parts, and other commodities considered essential for the development of the country. So-called luxury goods have been largely excluded from the importable list.

Import licenses are normally valid for imports from any country in the world. From time to time, however, portions of the quotas established for some commodities have been reserved for single-country licensing under bilateral trade agreements, agricultural commodity agreements with the United States, or certain third-country transactions financed by U.S. economic aid.

One measure which involves some discrimination against goods from the United States, however, is the standardization of the makes of automobiles which may be imported into Pakistan and a ban on imports of automobiles with a cost and freight value of over 5,500 rupees ($1,155).

PERU

The only nontariff restriction imposed by Peru is a quota limitation on imports of automobiles. This quota is applied on a nondiscriminatory basis and is applied for balance-of-payments reasons. The quota is based on imports of automobiles into Peru in 1953; for the year 1959 the quota amounts to 4,500 vehicles.

Apart from the automobile quota, the only other restrictions are the import duties, sanitary requirements, and the usual documentation and consular fees.

FEDERATION OF RHODESIA AND NYASALAND

Summary

The Federation, a self-governing colony within the British Commonwealth, has maintained a system of import controls designed to restrict the level of imports from the dollar area. Although some dollar trade liberalization has occurred, decontrol measures to date have been much less extensive than those introduced by the United Kingdom and Dependent Overseas Territories, e.g. Nigeria. This in spite of the fact that the Federation has traditionally had a favorable balance of trade with the United States. As a result the United States has operated under a serious handicap in maintaining its position in this market.

Nevertheless the United States ranked third as a source of supply to the Federation in 1957. Of total Federation imports of $497 million the United States supplied $29 million being preceded only by the United Kingdom ($183 million) and the Union of South Africa ($152 million). Of total Federation exports in 1957 of $437 million the United States took $44 million, here also being third preceded only by the United Kingdom ($206 million) and the Union of South Africa ($47 million).

Method of restriction

The Federation, as a member of the sterling area, continues to pursue an import control policy designed to restrict imports from the dollar area to those items considered to be essential to the economy and to those not readily available from soft currency areas. This it has accomplished by requiring that certain goods when imported from the United States have a specific import license. These certain goods are included in a restricted list which contains over 100 tariff items. Special import licenses are not ordinarily issued for these items and thus the restricted list is used in effect as a prohibited list. The Federation has allocated dollar quotas for several items on the restricted list. These are: wheat, piece goods for clothing manufacturers, commercial and passenger motor vehicles, and stoves, washing machines, and refrigerators.

Goods from the United States which are not contained in the restricted list may be imported into the federation without restriction under an open general license. There are not separate provisions for foreign exchange licensing and the issuance of an import license either special or open general assures the U.S. exporter that dollar exchange will be made available to consummate the transaction.

All imports from the sterling countries are freely permitted without licensing restrictions or requirements, as are imports from the OEEC countries. Goods imported from non-OEEC, GATT countries require an individual license, but this is usually issued as a formality.

The United States therefore may compete on an equal footing for the market in the federation for those goods which are not on the restricted list, but is completely excluded from the market for those items which are included thereon.

Exports against which restrictions are effective

It is not possible to characterize so extensive a restricted list briefly. This list contains many food items, such as cheese, jams, and macaroni; products of secondary industry such as bags and sacks, hats, and clothing; and many, many others. These items do all have one trait in common, they are readily available from the sterling and nondollar areas.

Among those goods included in the restricted list which have the greatest potential for U.S. export trade are: outer garments; cotton piece goods; hosiery; other clothing; electrical machinery and appliances, not industrial; office machines; radiogramophones and the like; and bottled and tinned fruit.

SWEDEN

Sweden maintains import license control over certain agricultural, fishery, and a very small number of industrial products. In general, the Swedish Government licenses freely commodities still subject to import licenses so that the system has little or no limiting effect on U.S. exports to Sweden.

There are a limited number of commodities, chiefly in the field of agriculture and fisheries, which are subject to import license from the dollar area only. This technical discrimination has no true limiting effect on tariffs.)

TURKEY

Turkey's import system, established after institution of an economic stabilization program in August 1958, established quarterly global import quotas for essential equipment and supplies. Goods not on the quota lists cannot be imported and are in the category

[8] Imposition of 30-day wait for list 3 licenses, November 1957, and raising of deposit for list 2 items from former 50 percent to 100 percent, May 1958.

of prohibited goods though more and more products are being included on the quota lists. Prohibited goods include goods available in Turkey; consumer goods and semiluxury products such as refrigerators, and luxury products such as larger automobiles. Also in the prohibited class are products under state monopoly such as alcoholic and tobacco products.

Distribution of quotas is done without any evident discrimination with the exception that priority treatment is accorded applications for import quotas from clearing agreement countries (mainly Soviet bloc) with which Turkey holds large balances. Amounts of quota are dictated by available exchange.

In the past 4 months a wide variety of parts, raw materials, and equipment have been freed from quota control and can be imported merely by applying for exchange.

UNION OF SOUTH AFRICA

Summary

The Union of South Africa maintains a system of import controls which, though nondiscriminatory, restricts the total global level of imports from all countries. For some goods (such as automobiles and nondurable consumer goods) restrictions tend to have a more adverse impact on imports from the United States than from other countries. However on balance, Union import controls have tended to become less serious as a trade impediment in the sense that (a) controls apply equally to all countries, (b) the South African Government's policy has been to liberalize controls and to permit a higher level of global imports as their global balance of payments positions improved. (Nonetheless as a matter of policy, as trade controls have been liberalized, emphasis has been placed increasingly on protective tariffs.)

Import control system

1. Most imports are subject to license from all countries. Exceptions are a small group of commodities or manufactures in short supply (the so-called "Free List") and other goods of minor importance such as gifts under £5 in value and commercial samples.

2. Licenses are granted either on an automatic quota basis or on a basis of "reasonable requirement" as indicated by the importer's application.

(a) The quota system applies mainly to consumer goods which in turn are divided into two groups "A" and "B." The A groups are the more "essential" consumer items and quotas (i.e., exchange allocation to importers calculated on a percentage of their past trade in a base period) are higher than for group B goods. Within the "B" category are certain goods for which no licenses are issued, as a matter of policy. Such goods traditionally have included periodical magazines of the "pulp" variety, i.e., comic books, detective, science fiction, etc.; jukeboxes and pin tables. At the end of 1958, because of "excessive" imports of luxury motor cars, the Union prohibited cars exceeding £800 f.o.b. in cost. This action does not specify countries of origin but in practice hits the United States harder than other countries.

(b) "Reasonable requirements" licenses: Such licenses apply to imports of most capital goods and industrial raw materials. For such goods, individual applications are made by importers and the Government-stated policy has been to approve applications on a basis of meeting "importers reasonable requirements to maintain stocks for current sales and/or consumption." No distinction is made between country of importation in granting applications.

The criteria of "reasonable requirements" seems to have been liberally interpreted by Government authorities and there has been no evidence that U.S. trade has been more adversely affected than that of other countries.

UNITED KINGDOM

I. Balance of payments restrictions

The United Kingdom's recent dollar liberalization move on June 8 represented another substantial step in the implementation of a longstanding United Kingdom policy to remove quantitative restrictions on its dollar trade and to reduce discrimination against dollar goods as the dollar balance-of-payments situation permits. The latest measures fulfill the undertaking of the British Government at the Montreal Commonwealth and Economic Conference last September to make a start in 1959 with the removal of import controls on as wide a range of dollar consumer goods and foodstuffs as possible.

At the time of the Montreal announcement in September 1958, virtually all raw materials, machinery, and basic foodstuffs had been freed of control and the dollar liberalization percentage stood at 73. (Based on the OEEC formula using 1953 as the base year.) The further relaxations in June this year brought this figure to over 90 percent, according to British Government estimates, although it probably is not that high. (The comparable percentage for OEEC countries is 94.)

The most important fact about the step taken by Britain to free its dollar import trade is that it eliminated a substantial area of discrimination in the operation of its controls against goods originating in dollar countries. This was accomplished in several ways. Restrictions on a wide range of dollar consumer goods and foodstuffs which were already free on importation from Western Europe, were removed and controls on a few items which had required licenses both from the dollar and Western Europe areas were lifted. Global quotas which were open only to imports from Western Europe and certain other nondollar countries were extended to dollar area imports (and increased for the purpose), and the dollar quotas on automobiles and most types of fruit were increased.

As a result of the slackening of British import controls, a number of U.S.-made commodities are no longer subject to limited shpiments under the British token import plan.

Token plan arrangements, which have been in effect since 1946, have enabled eligible U.S. firms to export to the United Kingdom token shipments of specified goods whose import from dollar sources was otherwise generally prohibited by the British Government. Many commodities covered by BTIP were among those affected by the British liberalization. Those which were freed from British import controls on June 8 were simultaneously deleted from the token plan list.

U.S. exporters of such items as canned soups and vegetables, sugar confectionery, shoes and other leather products, wood manufactures, domestic glassware, paints, toilet preparations, rubber products, and sporting weapons and ammunition are no longer required to apply to the Bureau of Foreign Commerce for BTIP quota shares before making shipment to the United Kingdom.

The token plan will however continue to apply through the rest of 1959, to commodities which next year become part of the so-called British global quota system. In this category are hosiery, sports equipment, toys and games, stationery and office supplies, cutlery, costume jewerly, and paper products. It will also continue to apply to other products not affected by the liberalization measures. These include certain textiles and apparel, pharmaceuticals, certain photographic apparatus, etc.

Dollar Items Still Subject to Discriminatory Controls

The items remaining on the United Kingdoms dollar negative list are the ones which still require individual licenses if imported from the dollar area (as opposed to WE, for instance). This means that applications for licenses are filed with the Board of Trade and licenses are granted on the merits of the individual case.

A measure of the surviving discriminations against dollar goods is revealed in the dollar negative list which covers a number of goods which have been traditionally important in the United States-United Kingdom trade and which, on the basis of representations from U.S. industry, remain potentially important. These include fresh fish; meats; certain fresh fruits; textiles; photographic and projection equipment, including cameras and films; a number of machinery items (air and gas compressors and exhausters; dredging equipment; gas and chemical plant; lifting, hauling, and transporting machinery; pumps; refrigerators and refrigerating machinery; welding machinery); values and tubes; X-ray apparatus. Some of these items are being imported in fairly substantial quantities in spite of licensing restrictions, however, permission to import being granted usually where the items are not alternatively available from domestic sources. Licensing controls continue to be maintained on some of our principal traditional exports to the United Kingdom market, such as cotton, tobacco, aircraft, petroleum products, etc., but trade in these goods continues at a high level regardless of licensing requirements. A special kind of discrimination affects the U.S. share of the United Kingdom market in tobacco, however, and this is discussed below under part II.

II. Other restrictions discriminating against U.S. Exports

1. Mixing Regulations on Tobacco

Tobacco imports from the dollar area are limited by a Board of Trade directive to manufacturers to limit their use of dollar tobaccos to 61 percent of their combined usings of light and oriental tobaccos. This is in supplement to a purchase agreement between British manufacturers and Rhodesian tobacco growers, under Board of Trade sponsorship, in effect with modifications since 1948, whereby British manufacturers guarantee to purchase a minimum quantity of Rhodesian tobacco annually (90 m. pounds, for 1959).

These measures discriminate against the U.S. tobacco trade since they have had the effect of raising the percentage of leaf tobacco of Commonwealth origin used by British manufacturers to the point where the proportion of the market now held by the Commonwealth and the United States respectively, is about 50–50, whereas in the prewar period the Commonwealth share was about 21 percent contrasted to the U.S. share of 77.5 percent.

2. Seasonal Restrictions on U.S. Grapefruit

Imports of fresh grapefruit under quota from the dollar area are only permitted importation during the period April 1–September 30. This limitation effectively precludes imports of Florida and Texas grapefruit. The United Kingdom's intention in setting up the quota on a seasonal basis was to protect the British West Indies citrus industry by providing it with an assured market in the United Kingdom, but in practice, Israel has been the chief beneficiary of the seasonal restriction, thus defeating the British Government's avowed purpose of assisting the British West Indies industry. (Prepared by: British Commonwealth Division, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce, August 20, 1959.)

URUGUAY

Imports into Uruguay are largely controlled through the process of foreign exchange licensing. However, it should be un-

derstood that the greatest obstacle facing U.S. exports to this country is the lack of dollars. The serious shortage of dollars reached such a point in 1957 that the Government was obliged to issue a decree on November 28 of that year greatly intensifying import restrictions. More recently, however, by decree of June 30, 1959, a new policy was initiated which shifted a large number of imports from the controlled financial market into the free exchange market, despite the continued serious shortage of exchange.

Basic import controls are somewhat complex. Imports are classified according to essentiality into first category goods which enter under the controlled-market rate (peso 2.10=$1.00), following approval by the Export-Import Control Board; and second and third category goods, subject to prior permits issued on the basis of exchange quotas established by the Export-Import Control Board. The free-commercial market rate (peso 4.11=$1.00), is applicable to goods in the second and third categories plus a surcharge.

The basic rate of exchange is 1.519 pesos to the dollar, a rate which is allowable for only several items, including imports of newsprint, matrices, and printing inks. The recently accentuated lack of foreign exchange, however, has led to inability of importers to obtain exchange at this rate, with the consequent severe shortage of newsprint.

Under the import regulations of Uruguay, exchange is issued according to its availability and, on this basis, the countries of origin and the currencies involved have been divided into two groups, A and B. For imports from group A countries, exchange may be obtained from the Banco de la Republica only if the country of origin involved is one of a group including Soviet bloc states, Brazil, France, Israel, Italy, Spain, Switzerland, and Yugoslavia and if the currency involved is either agreement dollars, external pounds sterling, or payments agreement Swiss francs.

For imports from group B countries appropriate exchange may be obtained from the Banco de la Republica 180 days after shipment. Group B countries include the United States and others not listed under group A. Switch operations involving these two country groupings are allowed, provided approval is obtained from the exchange authorities of the group A country, the exchange of which is being used.

Among essential items included in the first category which can be imported at the 2.10 rate might be mentioned fuel (except gasoline), some essential foodstuffs, a few raw materials, drugs, antibiotics, pharmaceuticals, seeds, products to combat agricultural and animal disease, materials for the press, tools, machinery and articles required by agriculture and the livestock industry.

As a result of the Government's action of June 30, 1959, noted above, importers are now in a position to increase imports from the United States, although such importers will be obliged to purchase scarce foreign exchange on the free market exchange which currently is costing between 10.50 and 11.00 pesos to the dollar. Consequently, selling prices in Uruguay for imported articles will be substantially increased.

Uruguayan imports from the United States in 1938 totaled $5 million, in 1948–50 averaged $40 million annually and reached a peak of $83 million in 1951. They ranged between $43 million in 1952 and $49 million in 1957, and dropped to $22 million in 1958. During the first half of 1959 U.S. exports to Uruguay amounted to $12 million.

Despite the sharp drop of exports to Uruguay from the United States recently, no specific complaints from American exporters as to discrimination have been received. Likewise no complaints regarding the treatment of any particular commodities included as GATT concessions have been noted.

[From Foreign Commerce Weekly, Aug. 24, 1959]

MANY COUNTRIES FREE IMPORTS, OTHERS TIGHTEN CONTROLS IN 1959

Rapid progress in dollar liberalization during the first 6 months of 1959 was made by most European countries, by British Commonwealth members, and by the United Kingdom dependent territories.

A few countries in Asia, the Near East, and Africa moved to liberalize dollar imports. Most other countries either maintained the status quo or intensified their import restrictions.

Latin American countries on the whole increased their licensing limitations and other measures, although these were usually not directly discriminatory against the United States. But a countertrend was seen in Central America, where Nicaragua and Guatemala enacted more liberal import regulations.

WESTERN EUROPE RELAXES RESTRICTIONS

During the first half of 1959, most OEEC countries continued to liberalize additional imports from the dollar area. Iceland and Portugal, however, took no actions in the dollar liberalization field, and Greece intensified restrictions on many dollar goods.

The United Kingdom abolished import licensing of a wide range of dollar goods on June 8, approaching closely in its treatment of dollar imports the treatment it accords imports from OEEC countries. Germany liberalized additional items and advanced the schedule of planned liberalizations to conform with GATT rulings. The Netherlands announced that it no longer found it necessary to restrict imports for balance-of-payments reasons, and virtually eliminated its few remaining import restrictions on dollar goods.

Italy announced liberalization of a substantial number of additional goods of interest to U.S. exporters, bringing its dollar liberalization percentage up to 85. France took liberalization steps which brought its dollar liberalization percentage up to over-60, expanded annual import quotas for a number of U.S. products, and eliminated the requirement of a license to import liberalized commodities. Denmark increased its dollar liberalization percentage to 88, and eliminated discrimination against dollar goods in the liberalized sector of its trade, while Norway revised its customs procedures to eliminate the formality of applying for a license to import liberalized goods. Turkey freed from import licensing 160 categories of raw materials, machinery, and spare parts. Greece, however, on March 1 and April 7 increased licensing controls and import quota restrictions on a wide array of goods.

UNITED KINGDOM TAKES LEAD IN COMMONWEALTH

In the first half of 1959 the British Commonwealth and oversea territories, as a whole, continued the accelerated rate of import liberalization and removal of discrimination against dollar goods initiated by the United Kingdom after the Commonwealth Trade and Economic Conference of last September in Montreal, Canada.

The United Kingdom, after bringing the dollar liberalization percentage to 75 and removing controls on dollar machinery and plant imports in September 1958, took another major step on June 8, 1959, in abolishing import licensing of a wide range of goods.

Australia, while not increasing its overall volume of authorized imports, increased from 50 to 70 the percentage of total imports freed from licensing discrimination against the dollar area.

Canada increased its quota for imports of turkeys from the United States.

New Zealand increased its allocation for private imports allowable in 1959 to $588 million, increased quotas of some raw materials and a wide range of consumer goods and removed some items from the list of prohibited imports. An additional $56 million was added to the list of imports allowable for 1959 and global quotas for various consumer and industrial items were increased.

The Union of South Africa announced in May a supplemental exchange allocation for consumer goods. Allocations, however, were still below those of 1958.

Nigeria lifted import controls on a long list of commodities from the dollar area early in the year and further expanded the list on July 1. Uganda and Tanganyika, in the first quarter, relaxed their controls on imports of commodities from the dollar area and later Kenya followed by introducing an open general license for a wide range of goods, permitting unrestricted imports of these items from the dollar area. Malta also liberalized an extensive list of goods to the dollar area and Aden relaxed import controls on dollar goods and freed for importation many goods previously prohibited.

In the Western Hemisphere, Jamaica, Trinidad, Barbados, and British Guiana liberalized import controls to a degree similar to that of the United Kingdom during the first part of this year. In June, British Guiana announced a sweeping liberalization of controls on dollar imports, to become effective July 1. In July corresponding steps were taken by Jamaica, British Honduras, St. Lucia, and Barbados, also effective as of July 1.

In the Pacific, North Borneo, Sarawak, Brunei, Western Samoa, and Fiji also followed the lead of the United Kingdom in liberalizing imports and reducing discrimination against dollar goods.

LATIN AMERICA RAISES SOME RESTRICTIONS

The first 6 months of 1959 generally marked an intensification of import restrictions on the part of Latin American countries (except for some in Central America), although most countries continued their policies of not discriminating directly against U.S. exports in their import restrictions.

In addition to import-licensing restrictions, Latin American countries intensified their use of prior deposit requirements, exchange allocations, tie-in quotas, and surcharges.

Argentina abolished discrimination against dollar imports last December 30 and replaced the official dollar exchange rate by a free exchange market. However, Argentina enlarged its list of commodities requiring surcharges ranging up to 300 percent and prior deposits ranging up to 500 percent of c. and f. value of imported items.

Brazil, after most Western European countries had made their currencies externally convertible, merged the foreign exchange auctions of these currencies with the dollar auctions, thus allowing importers to purchase any convertible currency at a single auction, and eliminating the previous preferential rates at which some European currencies were sold (relative to dollars).

In April the Chilean Government authorized the President to establish additional taxes on imports of merchandise of up to 200 percent of c.i.f. value, and at the same time to gradually abolish the import deposit system. The 2-percent tax, however, on the sale of foreign exchange was abolished.

Colombia, in May, removed some items on the list of prohibited imports and imposed a higher rate of duty on them. Surcharges for imports of many agricultural products were retained and cocoa was added to the list.

Cuba established import licensing controls on 197 luxury and semiluxury items on February 9. A few of these items were removed from such licensing on March 11, but in the same month Cuba required rice importers to buy certain quantities of domestic rice with every foreign purchase, and placed profit limitations on the resale of imported rice, and a special tax on it.

The Dominican Republic, in April, increased surtaxes on imports from 10 to 12 percent, and in June established an internal consumption tax ranging from 5 to 15 percent of an item's value.

Mexico placed numerous categories of goods on a list requiring prior import permits. In addition, a decree of January 29 required Government agencies and corporations to acquire all possible purchases from local production.

Paraguay established an exchange surcharge of 5 percent of the c.i.f. value of imports except for goods originating in adjacent countries and Uruguay.

Peru, in April, established additional surcharges of from 10 to 25 percent of c.i.f. value on imports of a wide range of goods. In addition, internal taxes were increased on various categories of luxury goods.

Uruguay extended for the fifth time the period during which imports were limited to the barest essentials. It also increased surcharges on imports of many nonessential items and increased exchange rates for imports of many essential goods by abolishing the previous preferential rate granted for their purchase.

Venezuela announced in January that as of May 13 the Venezuelan Government and Government-owned or controlled establishments were to be prohibited from purchasing foreign goods when local goods priced up to 25 percent higher than the duty-paid costs of similar imported articles are available.

In Central America some moves toward more liberal trade policies were recorded. In April, Nicaragua shifted 21 industrial and miscellaneous items to the essential import list from lower priority lists. These items will no longer require a 100-percent prior deposit.

Guatemala, in January, freed most foreign goods from import prohibitions, licensing, and tie-in quotas.

LITTLE CHANGE MADE IN NEAR EAST CONTROLS

Some Near East countries liberalized their import policies, while others intensified restrictions.

In Iraq a new import program was introduced which for the first time since 1941 does not discriminate between soft and hard currency areas as to sources of imports. Besides categories of prohibited and limited imports, an unlimited import category was set up. Importers may apply for import licenses to purchase goods permitted for importation from any area.

Syria, on the other hand, increased its restrictions. Import licenses were no longer being granted for many commodities, including various textile and iron and steel manufacturers. Other commodities may be imported only from Arab League states, from states maintaining a trade balance with Syria—Communist China and Soviet-bloc countries—and from states with which the Syrian balance of trade was favorable in 1957—Italy, France, Denmark, and Greece. The goods included under this area discrimination policy include some leather and fur products, textile manufactures, paper products, construction materials, and iron and steel products.

Saudi Arabia, on May 14, lifted import prohibitions on automobiles but increased duty rates on higher-priced cars.

FAR EAST COUNTRIES CUT DOLLAR DISCRIMINATION

In the Far East, India liberalized import allocations on industrial raw materials, but cut quotas of less essential items. Overall foreign exchange allocations remained at $378 million for the year.

Following the establishment of external convertibility of sterling, the Government of Burma, a member of the sterling area, removed restrictive references to the dollar area from all import licenses. While currency restrictions stemming from bilateral, multilateral, reparations, barter, and Public Law 480 agreements are still in effect, U.S. exporters are now able to compete fully for the remainder of Burma's imports.

The Indonesian Ministry of Trade has established exclusive import rights for eight Government-controlled companies for the following essential commodities: textiles, cement, tinplate, raw cotton, cotton weaving yarns and rayon yarns, paper, reinforced concrete, steel and wire, jute gunny bags, and wheat flour. Private companies no longer will be permitted to import these commodities, in addition to the previously import-controlled rice, cloves, cambrics, and fertilizers.

Another measure further restricts the amount of credit that foreign exchange banks may supply to private importers. In addition, the advance deposit which must be paid by importers at the time they submit their import applications was raised, effective April 15, from 133⅓ to 230 percent of c. and f. value of the import (at the parity rate of 11.40 rupiah per U.S. dollar).

The Japanese Government announced an import budget of $2,398.7 million for the first half of its fiscal year 1959, $300 million greater than for the first half of fiscal 1958 and the third largest in the postwar period.

Of this amount, $1,940 million was for commodity imports and the remainder for invisible payments.

Japan abolished the distinction between dollars and sterling in the foreign exchange budget so that imports may be paid for in any hard currency irrespective of the origin of the goods. At the same time, Japan increased the number of items automatically approved for import on a global basis.

Pakistan in January set up three foreign exchange accounts for importing: One for essential imports including petroleum products, coal, drugs, and metals; one for Government account; and one for use of those exporters who earn foreign exchange. On the last list were placed some 219 items importable under open general license. This latter list was reduced in April by 30 items, but the Government announced in June that this list would again be increased to 201 items for July-December. Both general and special import licenses generally will be valid for worldwide procurement, without discrimination against dollar goods.

The Thai Government has freed from individual import licensing meat, fresh, frozen, or in other forms; and coconut and other vegetable oils.

Vietnam reduced surcharges on purchases of dollar exchange by its importers. This move reduced discrimination in favor of French goods by bringing landed prices of imports more in line with those from France.

The Governments of Singapore and the Federation of Malaya, on January 1, liberalized dollar imports by adding 23 categories of goods to the list of items for which import licenses would be freely issued for direct import from the United States. Included in the list were items of interest to U.S. exporters, i.e., agricultural machinery, pharmaceuticals, truck/bus tires, canned and powdered milk.

GHANA AND SUDAN ALSO FREE IMPORTS

In Africa, in addition to the dollar liberalization steps taken by the British territories, Ghana decontrolled several dollar import categories, including motor vehicles, and the Sudan, as of July 1, placed most goods on open general license. Goods still not liberalized by the Sudan include certain agricultural and bakery products, textiles and leather products, certain dyes and soaps, timber and timber manufactures, engines, vehicles, hardware, and a wide range of notions.

THE POWERFUL NEW YORK TIMES JOINS THE CHORUS OF THOSE URGING ACTION IN CONGRESS TO EXTEND THE DEADLINE FOR THE NAVY'S "TOMBSTONE" PROMOTION LAW

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, some weeks ago, the gentleman from Alabama [Mr. HUDDLESTON], the gentleman from California [Mr. WILSON], and I introduced similar bills to extend the final, cutoff date for the so-called tombstone promotion law in the three sea services, which has been in effect for 34 years but which is now scheduled to expire on November 1. The action of Congress in bringing this longstanding law to such an abrupt end has worked great hardship on hundreds of loyal naval, Marine Corps, and Coast Guard officers who by their courage proved to be the real combat heroes of World War II. Certainly they deserve to be accorded more consideration by this Congress than was extended through the hasty "tombstone" cutoff date.

I was delighted to see that within the past few days the great newspaper, the New York Times, which has a much-deserved reputation for editorial fairness and insight, has now joined the swelling chorus of those who believe that this cutoff date should be extended, in line with the bills which my colleagues and I, both in this body and in the other body, have introduced.

Under leave to extend my remarks I am happy to include this editorial from the New York Times of September 4, 1959, in the hope that Members of the House and Members of the body at the other end of the Capitol will reconsider their decision, and will pass this legislation before the 1st session of the 86th Congress adjourns sine die.

The editorial follows:

DILEMMA FOR NAVAL OFFICERS

One of the byproducts of an act to provide improved opportunity for promotion in the Navy has created a servicewide dilemma which has no recent precedent. The President in signing the act to force the early retirement of a wartime "hump" in the Navy officer corps (chiefly in the rank of captain) noted the inequity of a provision tacked on to the basic law and urged Congress to provide more time.

The debatable provision repeals as of November 1 of this year a law which dates back to 1925 and, as amended, provided upon retirement for the honorary promotion to the next higher rank of all Navy and Marine Corps officers who received combat decorations in World War II. This law, known to the Navy as the tombstone promotion bill—since the advancement was honorary only and carried no increase in pay—may or may not have been a good law. The fact remains that hundreds of officers who have retired since World War II have been advanced a grade on the retired list under its provisions. Some 1,300 officers on active duty in the Navy are similarly eligible for such a promo-

tion upon retirement—but now only to November 1.

The problem caused by the November 1 deadline has already been graphically illustrated. In the first 3 days after the President signed the act 55 officers requested retirement. The irony of the situation is that many of these requests were not from officers at whom the basic act was aimed—those who had failed in the past for selection for promotion—but from young officers whose names had not yet been considered by flag rank selection boards. Obviously, many in the Navy feel that their future in the service is uncertain at best.

In any case a decent lapse of time to allow all officers to give adequate consideration to a decision which will fundamentally affect their lives is only right. Congress should, as the President noted, "promptly accord them such additional time"; if possible, at least a year.

ONLY A NATIONAL LOTTERY CAN EASE FISCAL PAINS

Mr. FINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, as we approach the end of this session of Congress we find, most regretfully, that our national fiscal problems keep getting worse instead of better. We note, with profound disappointment, that this Government ended its 1959 fiscal year in the red to the tune of over $12½ billion. That is the excess of money the Government spent that it did not have.

Needless to say, this kind of deficit spending means a bigger national debt which is now almost $285 billion and another increase in interest payments on this gigantic national obligation.

Mr. Speaker, I feel certain that the average American taxpayer does not know that the payments we make on the interest alone amounts to a staggering $7½ billion a year. This is almost as much money as we appropriate to run the Labor, Interior, Health, Education, and Welfare, and State Departments and for public works and military construction.

What about the future? Does the Government's budget picture look any better? I regret to say that the outlook is very dark. The odds are that another budget deficit is likely despite the President's attempts to produce a balanced budget for this new fiscal year. Again, this can only mean a further increase in our national debt and a jump of possibly $½ billion more in interest payments.

Mr. Speaker, what does this mean to our hard-pressed taxpayers? Simply this—all hopes for tax relief in the foreseeable future are gone unless this Congress is prepared to remove the blinders, wipe out hypocrisy, and face the fiscal facts of life.

As I have said repeatedly, there is only one avenue of relief open—a national lottery. If we are sincere in our interest in solving this growing fiscal problem and in extending a measure of tax relief to our taxpayers, then we must have the courage to tap a new source of revenue which a national lottery can produce, voluntarily and painlessly. This would be the best and only substitute for taxation.

Mr. Speaker, let me assure my colleagues in this House that by supporting my national lottery bill they will not be urging a gambling bill but rather a revenue-raising measure which can and will easily pump into the U.S. Treasury $10 billion a year in new additional money.

Mr. Speaker, a national lottery can produce this tremendous revenue which can be used to reduce our national debt and thereby ease the extreme pressure of interest payments and, at the same time, provide Mr. and Mrs. Taxpayer with a sorely needed tax cut.

Can anyone suggest a better cure for easing the severe pains of this growing fiscal headache?

THE LATE ANDREW JACKSON MAY

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, the death of Andrew Jackson May, who ably represented Kentucky in this House for 16 years, marks the passing of one of the pioneers in the economic development of eastern Kentucky.

I knew "Jack," as his friends and neighbors called him, from the time I was a schoolboy. Among his neighbors, he was best known as a sober, industrious, and successful attorney and businessman. His activity and vision in the successful development of the Big Sandy Valley coalfields contributed substantially to the wealth of that valley. His climb from a rural schoolteacher to an outstanding attorney who became a successful coal operator was rapid.

In 1930, on the second try, he was elected to Congress, and in 1938 he became chairman of the House Military Affairs Committee. In this position, he was responsible for a substantial portion of the policies which expanded our Army to an effective fighting unit in World War II. The country should be grateful that a man of Jack May's ability and effectiveness was found in that important chairmanship at that time. As chairman of this committee, he was a major contributor to the program now known as the GI bill of rights.

His last years were spent back in his old home at Prestonsburg, Ky., where he resumed the practice of law, which continued well beyond the proverbial age of threescore and ten. In fact, he was on an active basis well into his 85th year.

Jack May was an individual who loved his family. His wife, Julia Mayo May, preceded him in death in the 1940's. He leaves surviving two children, a daughter, Mrs. Olga May Latta, and a son, Robert May, both of Prestonsburg, Ky.

His neighbors and the Nation have suffered a loss with the passing of Andrew Jackson May. My heartfelt sympathy is extended to his family.

Mr. WATTS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. WATTS. Mr. Speaker, it is my sad duty to have to call the attention of the House that on last Sunday, September 6, one of its former Members, the Honorable Andrew Jackson May, of Prestonsburg, Ky., passed away at the age of 84 years.

During the latter days of his service here, Mr. May served as chairman of the House Military Affairs Committee.

Born of pioneer stock in the backwoods section of Beaver Creek, Floyd County, Ky., his childhood was spent in an atmosphere of meagerness, destitute of almost the minimum of material wealth required to provide for the absolute necessities. However, from his parents, and the demands of his environments, his was the good fortune to inherit an overabundance of self-reliance, self-dependability, and love for his fellow-man. From these he forged a plan of life emphasizing the need of self-preparation and humanitarian services.

As teacher, lawyer, and Congressman he served his people. Early in his days, he commenced responding to the needs of his people as teacher in the mountain schools. His efforts were not confined to the classrooms, nor to teacher services as is normally understood. His lot was to educate the children in the classrooms by day, and the parents in their homes at night. In addition, he was their counselor and adviser for all their economic and domestic problems. He was their doctor, their pastor, their lawyer, their nurse, and their teacher.

Because of his humanitarian traits, his love for his neighbor, and his services, Jack May became an institution throughout the whole of eastern Kentucky. Throughout his lifetime, for all, regardless of stature, there was time to hear their problems, and, for all, his was the hand ready to lend help, succor, and assistance.

For this unending special service to them, the compensation when measured by material wealth was inconsequential. But, in its stead, there flowed in an endless stream, an intangible wealth of far greater significance—a deep-rooted love and affection on the part of all who knew him. A love grounded in confidence. A confidence that was never disturbed—an allegiance that never faltered. No greater success can be achieved by anyone.

Jack May, a friend to all—all that knew him, loved him.

To his own family, and to all eastern Kentuckians whom he adopted as his own, I extend my deepest sympathy.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Speaker, Andrew Jackson May and I were elected to the 72d Congress in 1930. I served with him in the seven succeeding Congresses and for a long part of that time we lived in the same hotel. He was a man of great capacity; he was industrious and he was exceedingly active in discharging his duties as a Member of Congress. He became the chairman of the Committee on Military Affairs where he rendered excellent service and was the author of

legislation that gave his country strength to enter the great struggle for the freedom of the world.

He was a devoted father and husband, and his family reciprocated that devotion to a remarkable degree. He was a genial and kindly man, and he had many sincere and loyal friends.

To his family I extend my sincere sympathy.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, my late friend and former colleague, Jack May, served in this body for many years, and he did so with distinction and with great courage.

He was chairman of the Committee on Military Affairs at a very important period in our Nation's history. Many important bills prior to World War II came out of his committee of vital concern to our country and to the defense of our country.

Hitler was on the scene then just the same as Khrushchev and the Communist menace is on the scene today. In those days there was the Ruhr, there was Austria, there was Sudetenland, Czechoslovakia, and there was the pact at Munich. We all know that was the road of hope on the part of countries in Europe but, as a matter of fact, it was the road of appeasement and the road to war.

We now observe the aggressions in Laos taking place.

Jack May served as chairman of the powerful Committee on Military Affairs in an important period in our Nation's history. He was always dependable. We had emotional legislation in those days just the same as we have now. We had the doubters. Those of us who fought for legislation to prepare our country for war were called warmongers, just as today if you talk against the dangers of communism people will look at you and say you are for war. Our people have been lulled into a state of apathy and of complacency.

Many bills came out of Jack May's committee by a close vote. Mr. May was a great chairman. The country could always depend on him, and the leadership of the House was always aware of the fact that Jack May was fighting for the best interests of our country.

Those are the things we have to remember, that is the part of his life that should be known publicly, acknowledged and dramatized.

On the floor he fought for the passage of many bills against great odds. For example, extension of the Selective Service Act just prior to Pearl Harbor, which passed this House by one vote, 203 to 202.

It was under his leadership as chairman of the committee that that bill passed. Jack May was a great Congressman and a great American. He served his country well in the Halls of Congress. I am deeply sorry at his passing, and I extend to his son and daughter my heartfelt sympathy in their great loss and sorrow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would be remiss if I did not pay tribute and thanks to the gentleman from Kentucky, the late Mr. May, for his tremendous work as chairman of the former Committee on Military Affairs. I had a number of defense measures that I was very much interested in, measures that Mr. May fought for. He was instrumental in the passage of the continuation of the draft and the passage of the WAAC bill, which was not an easy bill to pass, but he stood by it and fought for it. I often talked with him on defense matters. He always cooperated. There were many other measures that Mr. May took an active interest in. The country was in great danger and he fought constantly, day after day and month after month, to see that our defenses were strong. Those who were serving in the Congress at that time will remember the intense anxiety we all felt and our great responsibility. I could see the great strain that Mr. May was under. Those of us in the Congress realize what it meant and what he went through. Feelings ran high and many were hurt. There were Members who were battling against some of the defense measures. I believe many lives were saved because of his and committees' work.

My deepest sympathy goes to his family. They are very fine and I know they are very proud of his contribution to his country.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 10 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FAILURE TO ENFORCE THE ANTIDUMPING ACT

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have today joined in cosponsoring with the distinguished chairman of the Committee on Ways and Means legislation which was requested by the Treasury Department which is cited as the Customs Administrative Act of 1959.

I would take the occasion of the introduction of this legislation to comment on another urgent customs consideration, namely the manner in which our Antidumping Act is being administered.

It will be recalled that in section 5 of the Customs Simplification Act of 1956—Public Law 927, 84th Congress—the Congress called upon the Secretary of the Treasury to make a review of the operation and effectiveness of the Antidumping Act and pursuant to such review to report back to the Congress with recommendations for legislative improvement of the act. Pursuant to that action the Congress last year gave legislative approval to legislation—Public Law 85-630—which amended "the Antidumping Act so as to provide for greater certainty, speed, and efficiency in its enforcement." During the past 12 months I have seen no evidence of any greater speed or efficiency in the administration of the act or its enforcement. The only certainty that I have noticed with respect to the act is the certainty given to foreign producers who dump their products in our domestic market that they will not be held accountable for their action by having the provisions of the Antidumping Act apply against them.

Indeed, Mr. Speaker, not only in the last 12 months but in recent years I have become increasingly alarmed over the fact that the intended purpose of the act—the protection of American industry from dumping—is not being carried out and in fact I seriously doubt that anybody is even trying to carry it out. The Department of the Treasury has failed to withhold with reasonable promptness appraisements in accordance with the act where dumping exists. Furthermore, the Treasury Department has been undertaking to find justification for admitted price differentials for reasons that are neither enumerated nor contemplated by the act.

With the passage of the amendments to the Antidumping Act in the last session of the Congress, it was represented to the Congress that as amended the act would become an effective remedy to deter and prevent dumping of foreign merchandise in the United States and to protect the jobs of our American workers. If my information is correct, the Treasury Department in its administration of the act has thwarted these intended results.

Mr. Speaker, I realize that these are serious charges that I am making, but I would welcome the presentation of any evidence that would disprove that these charges are founded on fact.

This is a matter of serious importance to all Americans, and I believe it is incumbent on the Congress and on the responsible officials of the Treasury to determine whether or not the purposes for which the act and the recent amendments were passed are being nullified by administrative interpretation, if not by administrative indifference. I intend to see that this result is accomplished.

DEMOCRATIC INFLATIONISTS HAMPER DEBT MANAGEMENT

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, on July 16, 1959, the press quoted the Democratic House leadership to the effect that the House would "sit and wait" with respect to the President's request of June 8, 1959, for legislation to remove interest rate ceilings that encumber economical and efficient public debt management. The President's re-

quest dealt with an urgent national issue which was subsequently deemed by the President to be the most important legislative matter to come before the Congress during this session of Congress. The President was not seeking to raise interest rates; he was seeking authority to fund the debt at the lowest possible cost to the American people and to avoid inflationary short-term financing.

The promise of "sit and wait inaction" by the Democratic leadership has tragically proved to be the Democratic policy in the House on this matter. With blind indifference to the fact of a $290 billion public debt, to the fact of the inflationary consequence of restricting Government financing to the short-term money market, and to the fact of a need to refinance approximately $80 billion in maturing obligations in the next 12 months, the Democratic leadership has refused to give to the President and to the Secretary of the Treasury the necessary legislative tools to accomplish economical debt operations.

The Democratic "sit and wait" policy delayed any definitive House action on the legislative request of the administration until Friday, September 4, in the midst of the closing days of this session. At that time, 13 weeks after the original legislative request was made, the Democratic leadership consented to the House consideration of a bill, H.R. 9035, which pertained only to the statutory ceiling on series E and H bonds and which ignored the more important, from the standpoint of debt management, 4¼-percent ceiling on marketable bonds. The political decision to act on the savings bond aspect of this problem was made to save the Democratic House majority from criticism by the voters who hold series E and H bonds. Legislative action on these savings bonds could not politically abide the earlier sit and wait decision of the Democratic leadership, but that leadership reaffirmed its same sit and wait policy on marketable bonds.

As the Republican Members pointed out on page 31 in the supplemental views of the committee report that accompanied H.R. 9035:

> Under the majority proposal the Congress runs the risk of misleading the public. We offer them, on the one hand, the assurance by the Congress of a more adequate yield on their patriotic investment in series E and H bonds. But by restricting Treasury refinancing to the short-term money market, we could well be fanning the fires of inflation with the consequence that at maturity these savings bonds would be redeemed at a higher yield but with an inflation eroded dollar.

The Republican Members of the House in the motion to recommit gave the entire House membership opportunity to repudiate the Democratic leadership decision to sit and wait. Our motion to recommit with instructions would have had the effect of including in the bill authority for the Executive to exceed the 4¼-percent ceiling on marketable bonds. This motion was rejected by virtually a straight party-line vote. Accordingly, there can be no question of the party responsible for refusing to act as well as the party responsible for the inflationary consequences.

The able economic and financial writer, Mr. Harold B. Dorsey, has written an excellent, analytical article on the refusal of the Democratic majority to approve legislation giving to the Treasury the latitude and flexibility in debt management necessary to minimize cost of the debt and to reduce the impact of Government financing on our private enterprise economy. I will include Mr. Dorsey's article as a part of my remarks at this point:

ECONOMIC VIEW—LEGISLATORS HURT THOSE THEY PROFESS TO PROTECT

(By Harold B. Dorsey)

The penalty of financial stringency imposed upon millions of small businesses and individual borrowers was symbolized last week by the increase from 4½ to 5 percent in the interest rates which commercial banks charge their "prime" customers. The interest rate charged for money loaned by the banks to other borrowers will now scale upward from 5 instead of from 4½ percent.

There can be little doubt that the failure of Congress to pass legislation that would permit more flexibility to the Treasury Department in its financial operations is closely associated with the rising interest rates. As prospects for this legislation diminished there seemed to be a corollary increase in interest rates. Then when it was announced that the House Ways and Means Committee had pigeonholed this legislation for the balance of the session, interest rates rose sharply.

On Monday of last week the Treasury Department had to pay the highest interest rate for its 91-day borrowings since the bank holiday in March 1933. And Government bond prices declined again to the lowest levels since the early 1930's. The interest yield for most outstanding Government bonds is now well in excess of the 4¼-percent ceiling which Congress has refused to lift.

Only a few months ago it was considered to be only a fantastic possibility that Congress might force the Treasury Department to borrow all of its money in the short-term and intermediate-term market. Now that the fantasy seems to have become a fact, it is clear that this competition of the Government for short-term credit, in competition with all of the other kinds of borrowers, is causing an extremely tight credit situation.

One might logically ask: Why has there been so much weakness in market prices for longer term Government bonds? The answer is that the congressional attitude on this subject strongly suggests encouragement for inflation. Few lenders want to lend their money for a long period of time if there is such a clear threat that they are going to be paid back in depreciated dollars.

At any rate, we stand today with some of these financial factors in an unusually critical condition. Furthermore, the arithmetic suggests that this condition is going to get worse between now and the end of the year. The Treasury Department has $8.9 billion of debt maturing in November to refinance and it has to raise several billions of dollars of new cash in the next few months. This substantial demand for credit has been forced into the short-term credit market.

In addition, many businesses have to increase their borrowing between now and the end of the year to carry harvests and to carry their Christmas inventories. More bank credit will be needed after the steel strike has been settled to finance the anticipated snapback in business activity.

When we pile these additional demands for credit on top of the present unusually tight situation, we do not end up with a very pretty picture. Somebody is going to get hurt. In the first place, the implied inability of small business people to borrow money for their seasonal needs is a painful matter. In addition, millions of people who borrow for their personal needs are being forced to pay higher interest rates—if they can find the credit at any interest rate.

And as if that were not enough damage, all of the rest of us are being penalized by the needlessly higher interest rates which our Government is having to pay for its borrowed money.

It is very difficult to understand why Congress has not been able to recognize these painful effects that are resulting from their amateurish efforts to tamper with the Nation's delicate credit mechanism. Is it possible that those Congressmen who are blocking the legislation to give the Treasury Department more flexibility fail to comprehend the painful effects of their inaction? If they had not been able to anticipate that their inaction would cause the Treasury Department to pay the highest interest rate on its borrowings since the bank holiday 26 years ago, then all they have to do now is look in the newspapers and find that that is the fact. If they had been advised that this kind of thing could not happen, then they should, at least belatedly, recognize the ignorance of their advisers. The facts that have already been developed prove that ignorance.

The weird part of this whole thing is that the suffering is most serious for the millions of people whom these Congressmen profess to be protecting, while it is helping the profits of the comparatively few for whom numerous Congressmen have frequently expressed criticism—the bankers. Even the latter realize that they will ultimately suffer by the distress that is being imposed on all of the others.

There is only one respect in which I would possibly disagree with Mr. Dorsey's knowledgeable conclusions. He implies that we may be helping the bankers by adding to their profits. I am inclined to disagree with Mr. Dorsey's conclusion on this point because of my belief that higher banker charges for interest on loans will have to be offset by higher banker costs paid as interest on savings. Competition among banks and other financial institutions will tend to prevent the occurrence of even a temporary windfall to the banker.

Another excellent article on the subject of debt management and interest rates appeared in the September 1959 monthly letter of the First National City Bank of New York. I will include that article as a part of my remarks at this point:

THE CONTROVERSY OVER INTEREST RATES

Through the sultry summer, debate continued over the President's urgent request, made June 8, for removal of old statutory limits on interest rates payable on U.S. Treasury bonds. The President wanted to raise the rate payable on savings bonds (now limited to 3.26 percent) to 3¾ percent and to pay more than 4¼ percent if necessary to sell marketable Treasury bonds. The Treasury is blocked off from placing bonds due after 5 years because they could not be sold in today's market within the 4¼ percent legal limit, which was set back in 1918. Meanwhile, savers' dissatisfaction with the current 3¼-percent rate on savings bonds is reflected in the growing excess of redemptions over new sales, involving a steady drain on Treasury cash.

The President's proposal encountered bitter resistance from liberals who pressed for an amendment stating it to be the sense of Congress that the Federal Reserve should buy more U.S. securities, of varying maturities, to assist in the economical and

efficient management of the public debt. The House Ways and Means Committee, which had the responsibility of clearing a bill, worked patiently to amend the proposed sense-of-Congress amendment into a reasoned statement of economic and debt management policies that could satisfy everyone.

The committee August 12 tentatively approved a bill which suspended rate limits on Treasury bonds for a 3-year period and which rewrote the sense-of-Congress amendment in language acceptable to Secretary of the Treasury Robert B. Anderson and Federal Reserve Board Chairman William McC. Martin. But opposition in other quarters led the committee to shelve the measure for the present session of Congress. As a result of this stalemate, the Treasury will have to concentrate its borrowings within a 5-year maturity limit, paying whatever rates may be required. In this area no rate limits apply.

Selling only obligations due within 5 years—as the Treasury perforce must do—gives an extra upward impulse to shorter term rates and moreover builds the volume of near-term Treasury obligations. As the situation stands at the beginning of September, no less than 73 percent of the marketable public debt is due within 5 years. This means that the Treasury, to meet maturities, must be constantly coming to the market to refinance itself, interfering with the freedom and flexibility of Federal Reserve credit policy, and involving problems of digestion of successive new offerings. It would be better for everyone concerned if more of the debt were in the hands of long-term investors, put away in the box for years.

The book, of course, is not closed on the rate problem. Sooner or later the Treasury must have authority to manage the debt in an orderly way.

Meanwhile, it could turn out that the liberals are being penny wise and pound foolish. If the effect is to give fresh impulse to inflationary psychology, savers and investors may demand higher rates. Every irresponsible fiscal action has a cost in interest charges.

WHY HIGHER RATES?

The upward push in interest rates over the past year has been a result of increased borrowing demands from all sides: from the Federal Government financing a peacetime record deficit; from State and local governments raising money for roads, schools, and other local improvements; from homebuilders putting up new houses; from individuals buying new cars; from industry financing record-high production and payrolls. The interest rate rise that began in June 1958 was unexpectedly rapid—though so also was the return of booming business conditions and inflationary psychology.

It is a pity in retrospect that the Congress did not act promptly upon the President's recommendation inasmuch as market conditions favorable to bond offerings developed during the summer. In part this reflected the reassurance investors felt in the President's masterful statement of debt management fundamentals and veto of another big housing bill, as well as feelings that stocks were high and bonds relatively cheap. The supply of new corporate and municipal issues temporarily declined, and an opening was created for bond financing. The Treasury must have discretionary authority to take advantage of such situations in a timely way.

The President's proposal, documented by the Treasury Department, spelled out what seemed quite obvious: something had to be done to stem the rising tide of savings bond redemptions and permit the Federal Government to continue flotations from time to time of bonds in the long-term investment market.

Stalwart opposition, however, was voiced in speeches on the floors of Congress and in hearings conducted by the congressional Joint Economic Committee on the subject of "Employment, Growth, and Price Levels." Trenchant in their criticisms were three members of the committee, Senator PAUL DOUGLAS, of Illinois, chairman, Congressman WRIGHT PATMAN, of Texas, and Congressman HENRY REUSS, of Wisconsin.

Their proposals for Federal Reserve support of the Government bond market were vigorously opposed by Treasury Secretary Anderson and Chairman Martin. Mr. Martin stated that:

"Under present conditions, I am convinced that this amendment, when stripped of all technicalities, and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter.

"We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible."

TRICK SOLUTIONS

Liberal opinion is reopening the Pandora's box of tricks studied and rejected before the bond market was unpegged in 1951.

As early as June 4 Congressman REUSS proposed a resolution citing the rise in interest costs on the national debt, urging greater reliance on purchase or retention of Government obligations by the Federal Reserve banks, and also asking the Federal Reserve System to explore methods of raising bank reserve requirements as an anti-inflationary tool.

The use of the Federal Reserve to create cheap money while placing special restraints on private lenders and borrowers apparently has a considerable following in neoliberal circles. It is part of the prescription for progress advocated in a new pamphlet put out by the Conference on Economic Progress (CEP), an organization led by Leon H. Keyserling and supported by a number of trade union leaders. In a speech on July 16, Congressman PATMAN called the attention of the House to the following passage in the CEP pamphlet which bears the title "Inflation—Cause and Cure":

"The so-called tight-money policy is both repressive and inflationary. The Federal Reserve System should resume sufficient support of the Government bond market to stabilize interest rates at lower levels, and to facilitate the management of the national debt.

"The inflation attributed to such policies during wartime was due to other causes. If necessary, the Federal Reserve System can counteract any inflationary effect of bond support by lifting bank reserve requirements.

"A more selective system of credit controls should be instituted. The overall tight credit approach restrains those activities which are in need of expansion, long before it touches those which need restraint. It is also hurtful to economic growth."

Congressman PATMAN commended the CEP study which he said cuts through all the mystical fog and gobbledygook which have been built up around the tight-money and high-interest policies. The fog and gobbledygook in the CEP pamphlet translates into an effort to deal with inflation by insuring an unlimited supply of cheap money for Government to spend while empowering Government to dictate to the people how much or little they may be permitted to borrow and spend.

Of critical importance in the unpegging of the U.S. bond market in March 1951 was a special study undertaken by a subcommittee of the Joint Economic Committee in the winter of 1949–50. This subcommittee, presided over by Senator DOUGLAS, stated that:

"As a long-run matter, we favor interest rates as low as they can be without inducing inflation, for low interest rates stimulate capital investment." But Senator DOUGLAS' report went on to say:

"We believe that the advantages of avoiding inflation are so great and that a restrictive monetary policy can contribute so much to this end that the freedom of the Federal Reserve to restrict credit and raise interest rates for general stabilization purposes should be restored even if the cost should prove to be a significant increase in service charges on the Federal debt and a greater inconvenience to the Treasury in its sale of securities for new financing and refunding purposes."

SENATOR DOUGLAS' VIEWS

In the recent controversy Senator DOUGLAS has not repudiated these findings, nor has he specifically endorsed the Patman-Keyserling idea of raising cash reserve requirements of the commercial banks to offset the inflationary influence of Federal Reserve bond purchases. Senator DOUGLAS supported legislation enacted in July to make the existing system of member bank reserve requirements more logical and equitable.

The passage of this legislation by heavy majorities in both Houses of Congress, following careful study by their Banking and Currency Committees, indicated how little following there is for proposals to tie commercial banking lending power up in knots to cheapen credit supply for Government.

Senator DOUGLAS, however, joined in opposing removal of the bond rate limit, in pressing for a larger money supply, in urging Federal Reserve bond purchases, and in proposing that the Federal Reserve Board in the future should provide increased credit for a growing economy by Federal Reserve purchases of Government securities rather than by easements of cash reserve requirements applicable to the 6,279 member banks of the Federal Reserve System.

Senator DOUGLAS' view on the bond rate limit, as expressed in a major Senate speech on June 8, was that the pressure on money rates was temporary and that the Treasury should finance itself with obligations due within 5 years where no rate limits are applicable. The trouble with simply suspending bond offerings is that passage of time is constantly shortening public debt maturities. Too little of the debt is funded at long-term. The Treasury needs to keep in contact with the long-term investment market by periodic new issues.

Congressmen, including Mr. REUSS, had been critical of the Treasury for not having put more of the debt into long-term form. The trouble is that there always have been reasons to be mustered why long-term offerings should not be made. In times of boom it is held to be too expensive. In times of business recession the fear is that Federal bond offerings will cut into the supply of funds for stimulation of homebuilding. The incredible result is that, over 13 years, the U.S. Treasury has put out only five issues of bonds due after 20 years Even though the Federal Government has the largest debt, and the largest needs for funding debt, other borrowers have been allowed something like a monopoly claim on long-term investment funds. In 1953 the Treasury was scolded for paying 3¼ percent on 30-year bonds; the Treasury would be saving money today if more had been sold.

QUANTITY OF MONEY

In commending a larger money supply, Senator DOUGLAS took the point of view that inflationary hazards are being exaggerated. It is difficult to say exactly how much money is just right since—as Senator DOUGLAS recognizes—the rate of turnover changes. But it is broadly true that whenever business is booming, and people generally are anxious to borrow and spend more, there are

risks of inflation as well as complaints of money scarcity. There is a speed-up in the rate of turnover, or velocity, which permits an unchanged money supply to handle increased expenditures. The general approach followed at the Federal Reserve has been to feed the money supply in periods of business recession and to hold back in periods of boom.

The last week of May the Joint Economic Committee under Senator DOUGLAS' chairmanship held hearings with a group of economists to explore the influence on prices of changes in the effective supply of money.

There was no general agreement on the proper rate of increase in the money supply or, for that matter, as to what money is and what should be included in measuring the money supply. Dr. John G. Gurley of the Brookings Institution pointed out that interest-bearing liquid assets, analogous to money, have been rising more rapidly than money supply, measured in the conventional way as paper currency, coin, and checking account deposits owned by the "public."

The previous chart illustrates the faster growth of interest-bearing liquid assets which holders may consider as "money in the bank" or the equivalent thereof.

As pointed out by Secretary Anderson and Chairman Martin, the build-up to new peaks in the outstanding volume of Treasury bills and other short-dated obligations represents an enlargement of the inflationary potential. Hence the importance not only of rebalancing the Federal budget but also of putting out long-dated bonds at every reasonable opportunity.

FEDERAL RESERVE BOND PURCHASES

Senator DOUGLAS, in urging Federal Reserve bond purchases, endorsed the view of the Federal Reserve Bank of New York that the Federal Reserve should drop its so-called bills only policy and intervene less infrequently in the U.S. bond market in periods of weakness. Wrapped up in this issue are thorny questions of the circumstances in which the Federal Reserve is warranted in intervening to maintain an orderly market, to help take up new Treasury security issues, and to influence or regulate conditions in the bond market in the interests of general economic stability. Whatever can be said for less infrequent bond transactions on the part of the Federal Reserve Banks, there is one vital benefit out of leaving the market free: the Treasury has a base from which to gage the receptivity of the market to new issues.

What disturbed many people was the emphasis given to Federal Reserve purchases of bonds. It seemed to be forgotten that the problem is to enlarge the investment market for U.S. bonds, not to reduce that market by drawing them off into the vaults of the Federal Reserve banks. A great deal of time was devoted by the Joint Economic Committee to the presentation of a thesis pressed by Congressman REUSS, that the Government could save itself some interest expense in this way, since the greater part of the Federal Reserve banks' net earnings are paid back to the Treasury. There is hardly any folly greater than operating a central bank of issue to see how much profit it can amass. The sky is the limit as long as people are amenable to depreciation in the value of their currency.

RESERVE REQUIREMENTS AGAIN

In hearings of the Joint Economic Committee July 27, Senator DOUGLAS pressed Chairman Martin to agree that Federal Reserve purchases of Government securities are no more inflationary than equivalent reductions in cash reserve requirements of member banks. Actually, the Federal Reserve has used both methods to allow greater liberality in extension of credit during periods of business recession. Federal Reserve holdings of U.S. Government securities right now are at a record peak. Bank reserve requirements, while eased in 1953–54 and 1958, remain considerably above the standard levels stated in the Federal Reserve Act.

The Federal Reserve Board has not raised cash reserve requirements since the bond market was unpegged in 1951. It is safe to increase the requirements, only when, as during the gold inflow of 1934–41, there is an uncontrollable excess of idle funds in the market. When, as now, the banks are under strain, a demand that they raise more cash to hold idle would quite simply panic the bond market. The problems the Treasury already has in financing itself would be compounded by forced bank selling on a falling market. These would hardly seem to be legitimate objectives for public policy.

Looking to the future, Congressman REUSS argued that the Federal Reserve, if not actually raising reserve requirements, should refrain from reductions. Thus, he would supply all additional needs for credit over the years through the purchases of Government securities by the Federal Reserve banks, helping the Federal Treasury through its share in Federal Reserve bank profits.

Congressman THOMAS B. CURTIS of Missouri, in an exchange with Congressman REUSS on the House floor, offered a "better way to try to keep interest rates down." Pointing out that "really what has driven interest rates up and has created this situation of debt management is the great size of the Federal debt and the budget deficits," Mr. CURTIS went to the heart of the matter:

"You can help by keeping these appropriation bills down. They are getting larger all the time. That is what you can do if you are really interested in keeping interest rates down. Otherwise, I can tell you, you are just talking a lot of nonsense and about a lot of useless monetary shifting, because it is the size of the Federal debt that has caused the trouble in managing it. This causes high interest rates. This creates the pressures that result in inflation."

BANK PROFITS AND INTEREST RATES

There is a common misconception, as noted by Treasury Secretary Anderson in an interview with U.S. News & World Report, that banks gain a great deal from rising interest rates. For one thing, banking is a highly competitive business, with competition not only among the thousands of banks subject to Federal law but also thousands of other financial institutions of diverse sorts, foreign as well as domestic.

Like other people, bankers have had increased expenses to face, more offices to open, and rapid growth in items handled. Increased interest rates themselves are not an unmixed blessing. When interest rates rise it is because banks are short of money to lend, because deposits are harder to get and hold, because higher rates must be paid on interest-bearing deposits, and because losses must be incurred when investments are sold to make room for more loans.

"Easy-money" advocates, looking back to 1947 when 91-day Treasury bills were pegged at ⅜ percent, can speak of bill yields (recent 3 to 3¾ percent) as having risen ten times. But dividends on bank stocks have shown no such rise. As a matter of fact the dividend return on bank capital funds has been among the most sluggish "interest rates" of all, moving up only from 3.3 percent in 1947 to 4.1 percent in 1958.

Bank profits, measured as a return on capital funds, have quite consistently hung around 8 or 8½ percent ever since 1947. The average for the past ten years, 1949–58, has been 8.3 percent, on the low side as business enterprise goes. For example, the average for manufacturing corporations over this period was 13.4 percent.

It is interesting to note that the peak profit rate for banks in modern history, nearly 11 percent, was attained in 1945 when profits on security transactions were virtually guaranteed by the pegging practice Congressman PATMAN wants to put back in force. His scheme to have the Federal Reserve purchase 2½-percent Treasurys to drive them back to par would give capital recoveries or gains to banks, though the biggest profits no doubt would accrue to speculators.

Bank profits in the aggregate, and also bank capital accounts, have risen since the war parallel with the rise in gross national product. Bank supervisory authorities keep urging banks to build capital funds faster. It takes more profits to support more capital funds.

Meanwhile, in terms of total assets, the commercial banks have lost ground relative to other classes of financial institutions. Dr. Gurley, in his testimony before the Joint Economic Committee, referred to this as a result of "controls"—something the "liberals" would increase. Banks need to share in economic growth, build profits and capital funds, if they are to strengthen their ability to serve the people. It is impossible to conceive of a vigorous free enterprise system where banks have their lending power sterilized to support cheap government borrowing.

PRESIDENT'S PLEA

President Eisenhower, in a strongly worded message August 25, expressed "grave disappointment" at the failure of Congress to remove "artificial limitations" on interest rates. He urged reconsideration, stressing that "no issue of greater importance has come before this session of Congress":

"We have worked tirelessly for a balanced budget. We need this balance so that we can avoid the deficits that lead to higher prices, to a rising cost of living, and to an eating away of the value of the billions of dollars that thrifty and farsighted Americans have saved. But congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility.

* * * * *

"The vital interest of all Americans is at stake because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash."

The President went on to emphasize that the Treasury must have the capacity to finance the Government's requirements in free credit markets without artificial restrictions:

"Let me state plainly as I can that this is not legislation to increase interest rates. This administration is not in favor of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices. * * *

"* * * To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defense Department that it cannot pay the fair market price of equipment. The result would be the same in either case; the Government could not get what it needs.

* * * * *

"The issue * * * is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently if we remove the artificial obstacles to borrowing competitively in the free market.

"By adopting the administration's proposals the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency."

Mr. Speaker, when the able and distinguished Secretary of the Treasury appeared before the Committee on Ways and Means on June 10, 1959, in behalf of the administration's legislative request on this subject, Secretary Anderson stated that he was appearing in behalf of legislation that was in the best interests of 177 million Americans. It is to be regretted that the Democratic Party has seen fit to disregard those best interests in favor of an irresponsible political decision to sit and wait.

NIKITA KHRUSHCHEV

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. COAD] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COAD. Mr. Speaker, we are all aware of two widely separated but closely related facts:

First. That Mr. Nikita Khrushchev is due to arrive in the United States on September 15 for the announced purpose of a peace visit, coming here at the request and invitation of President Eisenhower.

Second. That the little country of Laos is undergoing the siege of international Communist attack. The tempo and the activities of the Communist attack against Laos and southeastern Asia in general are increasing, and the general condition and status of peace is rapidly deteriorating. The entire situation is becoming one of grave concern in this general area.

Mr. Speaker, the Soviet Premier, Nikita Khrushchev, is the head of international communism. As such, he has it within his power to continue or to stop the Laos conflict. The attempt may be to argue that this is not his direct concern, but I am sure that none of us is so naive as to think other than that he has a direct line of authority in this matter.

With this general condition, it is obvious that if President Eisenhower continues in his invitation to Nikita Khrushchev to make his announced visit as a proposed peace mission while the Laosian situation continues to deteriorate because of Communist infiltration and attack, then even before the visit has taken place, he has been taken in by Communist strategy. Therefore, I have today written the President, suggesting that he should immediately make it plain to the Soviet Premier that he should either renounce, denounce, and stop the Laosian disturbance, or the invitation on the part of the President be withdrawn forthwith.

I am certain, Mr. Speaker, that the American people can readily see the hoax of the Soviet scheme if their Premier is here spouting words of peace while his henchmen are killing the innocent victims of the small, independent, and underdeveloped countries of southeast Asia.

RUSSIAN DICTATOR KHRUSHCHEV

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DULSKI. Mr. Speaker, the official invitation extended by President Eisenhower to the Russian dictator Khrushchev to visit our country this month has created grave and widespread concern among our people. The general confusion which has followed this invitation, caused by the uncertainty as to what this visit is expected to accomplish for the cause of free men has added to this concern. The ambiguous public speeches made by the Vice President since his return from Moscow has added immeasurably to this confusion.

Each year the citizens of Buffalo celebrate Polish Day. This is natural because of the very large numbers of Americans of Polish extraction who reside in Buffalo and the Niagara frontier. This year Polish Day was celebrated in Buffalo on Sunday, August 30. A very significant and forthright address was delivered on this occasion by the principal speaker, Mr. Henry J. Osinski, a prominent Buffalo banker and civic figure.

Mr. Osinski is eminently qualified by background and experience to address himself to the questions involved in the official visit to the United States by Khrushchev. He has held and now holds many positions of public trust. He has been a leader in charitable, civic, cultural, educational, and community activities in Buffalo. His experiences in the field of foreign affairs are extensive. From 1945 to 1949 he served as chief of mission to Poland for American relief to Poland. While directing this great American relief and rehabilitation program in Poland, he served as Chairman of the Council of Foreign Voluntary Agencies in Poland, representing 23 nations of the free world. The New York Times, in an editorial dated February 22, 1947, paid tribute to his skill and representative American leadership during his years of charitable work in Poland. I point out these accomplishments of Mr. Osinski to emphasize that we have people in our country who know the methods of Russian Communists from firsthand experience and who, at this time of grave concern for the future of mankind, do not hesitate to face up to reality.

Mr. Speaker, under unanimous consent I include with my remarks the penetrating analysis given by Mr. Osinski in his address, "Poland Will Be Free but Not Through Khrushchev":

POLAND WILL BE FREE BUT NOT THROUGH KHRUSHCHEV

(Address by Henry J. Osinski, Aug. 30, 1959, Buffalo, N.Y.)

Polish Day in Buffalo has long been one in which Polish Americans and their many friends on the Niagara frontier have gathered in the spirit of the American picnic festival. It is a day set aside for renewing old friendships and making new friends while having a good time in the process. That is the spirit of our gathering today.

It is appropriate on this occasion however that we pause for a few minutes to observe the sad fact that in a few days we will have reached the 20th anniversary of the outbreak of World War II. I say this because Poland was the first victim, the first free and independent nation to be overrun by the dual tyrannies of nazism and Russian communism. At this very moment we are told that the overriding question of our times is "War or Peace?" The civilized world is again faced with the demands of the dictator who has delivered an ultimatum—an ultimatum to the leader of the free world to either submit to his demands or face a hot war. All this comes within the short span of 20 years since the outbreak of World War II and but 14 years since the defeat of the Axis alliance.

There is an ominous parallel between the events of today and the events which preceded the outbreak of World War II. A review of these events, forgotten by most people and unknown to many others, can help us to understand better the crisis of our times and to judge the wisdom or lack thereof exercised by our national leaders in meeting this crisis.

In the early thirties of this century a prophet of tyranny arose in Germany, trumpeting loudly what he called a superior way of life, the wave of the future. He predicted that his distorted concepts of life would conquer the world and build an empire which would last a thousand years. A new elite class was nurtured by this dictator as he seized absolute control of the German nation and turned her industries into full scale production of the instruments of war. That dictator was Adolph Hitler and his theory of life and government was nazism.

Soon after he seized power in Germany, Hitler began a cold war against all his European neighbors. First there was the Ruhrland; he took that territory without opposition. Then came his threats against Czechoslovakia which led to the Munich Conference on September 29, 1938. Here it was that Neville Chamberlain, the British leader, conceded the right of Nazi Germany to tear away pieces of territory from Czechoslovakia. He returned to London after this appeasement of the tyrant to proclaim the empty promise of "peace in our times." This event followed the Austrian Anschluss wherein Hitler seized and occupied by force that free and independent nation. Then following this Hitler turned his attention to Poland, opening up a barrage of propaganda, provocations against the Poles and manufactured incidents to justify his intentions to conquer that brave and democratic stronghold of Western civilization. But here he found a people who could not be scared by the tyrant's threat, a people who would fight for their right to exist as a free nation.

Thus thwarted in his plan of world conquest, he turned to diplomacy as a tool of aggression. He found a ready and willing partner in Stalin, then the leader of the Russian Communists. The Russians had had designs on Poland for centuries; they were ever fearful that the highly cultivated Poles and their dedication to freedom and individual liberty would inoculate the masses of the Russian Empire with this same spirit. It was clear to Hitler that the Russians would share with him the common objective of destroying the Polish nation. Without such an agreement it would have been impossible for either of these tyrants to advance their imperial plans.

Consequently, on August 23, 1939, the Nazis and the Russians entered into a secret agreement, now generally called the Molotov-Ribbentrop Pact. Through this pact the Nazis and the Russians divided up Europe into spheres of control and military occupation. A secret protocol to this pact called for the partition of Poland and the ceding

of the Baltic States to the Soviet Union. Thus the Russians were a full party to upsetting the balance of power in Europe which up until then had prevented the outbreak of World War II. By this pact the Russians assumed equal responsibility and guilt with the Nazis for the outbreak of the war. Without such a pact there would likely have been no war because without the Russians as his partners in evil Hitler could not have conquered Poland.

When the Nazis launched their war of aggression against Poland on September 1, 1939, they had as their full partners the Russian Communists. History records the manner in which the Nazis invaded from the west and the Russians from the east to place heroic Poland and her people on the anvil of tyranny. Fighting on two fronts against overwhelming odds, it is little wonder that brave Poland fell victim to the Nazi-Russian plot.

It is significant to note that preceding the signing of the Molotov-Ribbentrop pact, the Russians and the Nazis were carrying on secret trade negotiations. These negotiations were started on July 22, 1939, and through them the groundwork was laid for the political discussions which led to the Molotov-Ribbentrop pact. Thus we learn a lesson on how the Russians use the tempting prospects of trade as a tool to their political objectives. In this there should be a special lesson for those American industrialists who are tempted by the siren songs of Mikoyan and Kozlov, made when they visited our country a few months ago.

It is the same Russian Communists who share the guilt with Hitler and his Nazi followers for starting World War II who today are issuing ultimatums to the leaders of the free world. Stalin is dead but his current successor, Khrushchev, as a leader of the Communist conspiracy, then, as now, is equally guilty. No amount of propaganda, no efforts to purify this international criminal can erase from him and the Communist movement the guilt which attaches to him and his followers for launching World War II. The hundreds of thousands of Gold Star Mothers who lost their sons in that war will not forget this undeniable fact of history. Nor will the many thousands of veterans of that war who were maimed or crippled fighting for freedom and justice forget this truism. Every American should remember that it was the Russian Communists, with Khrushchev as one of their leaders, who robbed us of peace with justice and freedom for all nations following the cessation of hostilities. No American of Polish origin will ever forget that it was the Russian despots who were guilty of the Katyn Forest massacre, the Moscow-provoked uprising of the Polish Home Army at Warsaw which exposed these Polish patriots to slaughter by the Nazis while the Red Army rested and watched with cynical amusement from the other side of the Vistula River. These are the thoughts which occupy our minds as we contemplate the strange request of Vice President NIXON that we treat this international criminal Khrushchev with consideration and respect during his unwelcome visit to our country this month. How far have we drifted from our great American ideals and moral values that we should be asked publicly to pay tribute to this individual whose hands drip with the blood of the martyrs in freedom's cause? Such a request reflects moral and political bankruptcy and exposes the desperation of weak-willed men who know not the free spirit and moral strength of their fellow Americans.

It is fair to ask what lies behind the official invitation to Khrushchev to visit our country. We have been told by the Vice President that such a visit would allow Khrushchev to gain an accurate estimate of our strength and remove from his mind misconceptions about our country. No one but the most naive accepts this as an answer to the sudden, strange, and secret moves which led up to the invitation. To suggest that Khrushchev is not fully informed about the United States is to flirt with disaster. With his vast network of spies and informers and the many Russians visiting our country, he has the facts. They were able to steal the atom bomb secret, an example of how much they know about us. In fact recent events indicate Khrushchev knows more about our country than NIXON.

There can be no doubt that the secret talks the Vice President had with Khrushchev while he was campaigning in Moscow played a major part in the decision to submit to Khrushchev's demands that he be accorded special tribute by our country. This may explain why the Vice President has refused to disclose what took place, what was decided during these secret talks. Many Members of Congress have called for a full public disclosure by the Vice President of his secret talks with Khrushchev. To date all the American people have been allowed to hear and see are skillfully arranged propaganda films on the Vice President's conducted tour. Our television networks have been flooded with these films since the arrival of the Vice President in Moscow. Until the Vice President makes a full, public disclosure of his talks and agreements with Khrushchev, the shadow of another Yalta will hang heavy over his future.

In the visit to the United States by the Russian leader Khrushchev, who I repeat is the same individual who has been issuing Hitler-like ultimatums to the free world, we can also see the prospects of another Munich. During the past 2 years Khrushchev has been engaged in a desperate effort to force the free world alliance to accept a status quo. That is, to recognize as permanent the Russian occupation of all the once free nations of central and eastern Europe, including Poland. He has hinted that this is the price he is asking for a settlement of the Russian-provoked Berlin crisis

How similar this is to the events which led up to the Munich Conference, the results of which encouraged Hitler to believe the democracies were weak and decadent, that they would not stand up for their rights. Recall that Hitler was wooing England and France at the same time he was making all-out preparations for war. When he made threatening speeches and demands about territories contiguous to Germany, the Munich Conference was arranged to find some means of coexistence with him. At that time some people were saying that it is better to talk than to fight. When Chamberlain led the forces of appeasement to and in that Conference he provided Hitler with the public proof he needed that his plans were unstoppable, that he represented the wave of the future. Hitler got what he wanted from that Conference. While Chamberlain was assuring the British people of "peace in our times," Hitler was winning more followers to his cause and breaking down the will of others to resist his terror and despotism. It was not long thereafter that he felt strong enough to launch World War II with his Russian allies.

In this connection allow me to point out that Khrushchev can gain recognition for his demands on a status quo by several methods. He can reach an agreement with the Washington administration which, while making no specific mention of status quo, will have the same overall effect. He can also win his point through default by President Eisenhower. That is, if the issue is not brought out publicly in the context of a sharp and full rejection by President Eisenhower during the time Khrushchev is here in our country. Failure by President Eisenhower to take overt and public action on this question will hand to Khrushchev the political victory he seeks through his visit to our country. This is a certainty in mid-20th century diplomacy, controlled as it is by mass media propaganda and manipulation.

For the President or a White House spokesman to claim that Khrushchev's visit is of a social character, or that no discussions will be held on the basic issue of freedom or slavery will do nothing more than increase the black clouds of suspicion which now hang heavy over this entire affair. The American people will not be deceived by such ivy league chatter. Our friends and allies in the world will be shaken in their confidence in our history policy of "open covenants openly arrived at." Our proven allies behind the Bolshoi and Bamboo curtains will, after our disgraceful behavior during the Hungarian freedom revolution, be plunged into another era of despair.

The Captive Nations Week resolution passed by Congress during July raised the morale of freedom's cause in every quarter of the world. On both sides of the Bolshoi and Bamboo curtains American prestige was raised to that respectable level which it enjoyed following the courageous action taken in Korea, during the Berlin blockade and the Greek-Turkey crisis. The leaders of the Russian Communist conspiracy, particularly Khrushchev, believed and screamed over this rededication by Congress of freedom's cause. Then, unwittingly, the President, Vice President NIXON, and Secretary of State Herter turned their backs on this victory for human freedom by inviting Khrushchev to visit our country. I know this was an unwitting action because I am sure President Eisenhower feels as strong about freedom and justice as we do. However, this action does point up the dangerous confusion which exists in the conduct of our foreign affairs and national security programs. It appears the policymakers in Washington have not yet identified the enemy or if they have they refuse to believe he is serious in his boasts that he will "bury us."

In this atmosphere of confusion which grips official Washington the grave danger exists that Khrushchev will make many serious miscalculations about the aspirations and intentions of the American people. With the hammer and sickle being flown alongside of the flag of freedom in Washington, with our President riding in a parade of welcome with the symbol of tyranny, with our police protecting this sly despot, with certain elements of Washington social life fawning over this leader of slavery—what prospects are there that he will leave our beloved country with other than the state of mind which Hitler gained at Munich? With the army of Russian propagandists who will accompany him; photographers, motion picture specialists, and closed-minded reporters—one can only imagine the manner in which Khrushchev's triumphant march in the land of the free will be communicated to the people of the world. His will be the journey of purification the cleansing of sins without repentence, the granting of respectability without a crumb of merit and—badly needed prestige to offset his most recent crimes in Tibet and Laos.

The picture of Neville Chamberlain, with umbrella in hand, calling our "Peace in our times" is one that free men will not soon forget. The terrible price mankind paid for that allusion, that escape from reality, rests heavy upon the hearts and minds of the common man throughout the world. Peace in our times can never be the peace, the dreadful and enforced peace, of human slavery. That is the challenge which confronts us as free people. This has been and remains the real issue involved in all our struggles with the Russian Communists. No visit of Khrushchev, no amount of wishful thinking and no amount of national television shell game can erase it from the anvil of decision.

We see the plight of Poland today with heavy hearts. The first victim of combined Nazi-Russian aggression, she remains the

victim of Russian occupation. Her people know the peace of slavery just as her people prepare for the day when Poland will regain her rightful place in the family of civilized nations. They remain true to freedom's cause, courageous in the face of tyranny and despotism, certain in the knowledge that justice shall govern the peace sought by all mankind.

Poland will be free—not by an act of Khrushchev and company, but despite them and those who are willing to kowtow to the tyrant.

UNION LABEL WEEK

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, regardless of the type of employment in which an individual is engaged—lawyer, engineer, office employee, factory worker—his standard of living depends upon the purchasing power of all working people. And this applies even if a person is in business for himself.

This week, September 7–13, the AFL–CIO is observing Union Label Week, as a dramatic reminder to all Americans that one of the most effective ways to help protect our living standards is to be certain that products purchased are union-made and that establishments we patronize offer union services.

This can easily be done by looking for the union label on all products the consumer buys, by patronizing business establishments which display the shop card or service button—the distinctive symbols of free trade unionism.

Union Label Week is a tribute to labor-management relations and an attestation of the benefits which all Americans, employers, employees, and the general public derive from dedication to high standards.

That is why this week is so significant. The lifeblood of America's economy is its production force—the working men and women of the Nation. Yesterday was their day. This is their week. It should be all America's. And, what more fitting a day to launch Union Label Week than Labor Day.

The event, I should point out, is a voluntary one. Governors and mayors of States and cities across the Nation have proclaimed September 7 through 13 as Union Label Week.

This year's observance has particular significance inasmuch as it falls on the 50th anniversary of the union label and service trades departmnet of the AFL–CIO.

In a letter to Joseph Lewis, secretary-treasurer of the department, George Meany, AFL–CIO president stated:

> It is with great pride that I salute the union label and service trades department on the observance of its 50th anniversary of service in the promotion of the union label, shop card, and service button and hereby preclaim Union Label Week to be observed from September 7 through 13.
>
> The union label and service trades department is performing a notable trade union function by calling to the attention of the general public the high quality of union label merchandise and the excellence of union service.
>
> The union label on a product means that it was made under decent working conditions by workers paid a good living wage. The union label is the hallmark of decency and democracy in the marketplace.
>
> Every trade unionist, by insisting on union label goods when buying from their merchants and informing their friends and neighbors of the value of buying union-made goods, are helping not only themselves but every union and every union member.

And the significance of the week was summed up extremely well and perceptively by William Schnitzler, secretary-treasurer of the AFL–CIO, when he stated:

> As a trade unionist I know that the union label, the shop card, and the service button are marks of pride that union workers have in the job they do in turning out the Nation's finest products.
>
> As a citizen—

Schnitzler continued—

> I recognize the economic and practical value of buying union-made goods and services because the union label tells me, as a consumer, that the products or service bears the stamp of approval of the people who know it best—the workers themselves. The union label tells all consumers at a glance that the product is made under decent working conditions by workers paid a good wage.

The occasion of Union Label Week is a golden opportunity for union members everywhere to publicize the tremendous purchasing power that is represented by the union-earned dollars of organized workers.

I am pleased to pay tribute to the concept of Union Label Week and the great body of men and women who have given it such significance. It is a week, the celebration of which can not only make union members proud, but all Americans who have worked together in the great effort to achieve a richer, fuller life in our beloved country.

THE CIVIL RIGHTS BILL

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 45 minutes.

Mr. LINDSAY. Mr. Speaker, I should like to speak for a little while on the subject of civil rights. There has been a great deal of speculation about the civil rights bill on which the Judiciary Committee, of which I am honored to be a member, has been working and which it has reported out. There is a great deal of asking as to why there is not a civil rights bill on the floor right now with adjournment only a matter of days away. There have been charges and countercharges made. I am not going to engage in speculation. I am going to make it unmistakably clear, however, that I for one want a civil rights bill. I want the bill that we in the Judiciary Committee sweated over this session for a long period of time and reported out. I not only want that bill, but I want some improvements to it, specifically, the addition of three matters which are not included in the bill but which should have been. I will have more to say about that in just a moment.

Even so, the bill as it stands, or rather sits in the Rules Committee, is a good bill and it is badly needed. The only thing I can categorically say on the subject of "Where Is Our Civil Rights Bill?" is that it reposes deep down in the Rules Committee which is controlled 2 to 1 by the majority side of this House. Say what you will, speculate all you want to, but the fact remains that there are eight Democratic votes on the Rules Committee as opposed to four Republican votes and today we have not got a bill.

Mr. Speaker, I for one am delighted that the distinguished chairman of the Judiciary Committee has seen fit to initiate discharge proceedings to get the bill out of the Rules Committee. The discharge petition is on the Speaker's desk and I hope and trust that it will be signed as soon as possible by every Member of Congress familiar with and interested in this subject.

This is not a subject that we can play politics with. It is one that requires determination and action. So let us take whatever step is necessary to give us a bill. Is this too much to ask?

Let us talk about the bill just a little bit. Mr. Speaker, this bill is a moderate, balanced approach to several of the most urgent civil rights problems. Title I makes it a misdemeanor, not a felony, to obstruct court orders. Title II will permit Federal authorities to assist in the apprehension of those who have wilfully bombed or destroyed by fire any building or other real or personal property or who flees to avoid testifying in criminal proceedings relating to such acts.

Introduced into the hearings was a chart of bombings and attempted bombings of recent years, which chart shows close to 100 such incidents in every area of the United States.

Title III is a necessary supplement to part 4 of the Civil Rights Act of 1957 which prohibits threats or intimidation designed to prevent persons from exercising their right to vote. The new proposal would implement Federal enforcement of this protection by requiring State election officials to retain for 2 years voting and registration records for all Federal elections and to make them available for examination by the Attorney General of the United States.

Title IV of the bill would extend the life of the Civil Rights Commission scheduled presently to expire this month until September 1961. The need for a full-time study and investigation of alleged denials of equal protection of the laws in every corner of the country has been demonstrated.

I approve of the strict impartial and reasonable approach of the Commission, which has conducted significant investigations in both North and South. Its services are still needed. On this date, Mr. Speaker, just today, the Commission issued its report, a copy of which I have here in the Chamber. I have not had an opportunity as yet to study the report except for a cursory examination of the findings and recommendations of the Commission in the field of voting, housing, and education. At this time I am compelled to comment on some of

the intemperate statements presently being made as to the work of the Commission. Realizing that men will certainly differ, as certainly they have a right to in their commentary on this report, it strikes me that we should allow ourselves full opportunity to study with more care the Commission's report before commenting so hastily.

I, for one, have awaited the completion of this document, and I intend to devote careful study to it. My preliminary examination leads me to the conclusion that it is fair and comprehensive, and I extend to the members of the Commission my congratulations for their diligence in discharging this difficult duty, which has been placed upon them by the Congress.

The Commission has been objective in getting all of the facts. The hearings, one of which was held in my own city of New York, did not function as a protagonist forum and their aim has been a dispassionate evaluation and appraisal of the facts, so that reason can be brought to bear.

In this framework I am pleased to note from my brief examination of the report that many of the views and findings of the Committee on the Judiciary of this House coincide with those of the Commissioners who have gone into these matters a good deal more thoroughly. This further motivates my desire to see the enactment of the civil rights bill.

One of the significant provisions of that bill is that extending the life of the Commission and it is, of course, immediately necessary. The Commission's examination of these problems must not be allowed to terminate with the job only half done. Furthermore, let every Member realize that the Commission has shown in this report that none of us from any section of the country is without sin on the subject of civil rights. And more importantly the requirement for the complete picture in this objective framework is necessary so that the Congress may provide all Americans with the equality of opportunity that our Constitution requires.

Mr. Speaker, perhaps the most important thing I could say in the brief time I have tonight is not so much what the civil rights bill that the Committee on the Judiciary reported out does, but rather what it does not do. I stated that the bill was good, as it stands, and that it is desirable and necessary and should be enacted. This is so. But there are three things that the bill does not do that I should like to bring to the attention of the House. The original bill reported out by the subcommittee contains three titles which did not survive the full committee's deliberation. In my opinion, the most important of these was title VIII, the so-called technical assistance program. This title represents a sensible, fair, and effective approach to the problems that may accompany the initial stages of school desegregation. It is a recognition of Government responsibility to share in the solution of such problems. The Secretary of Health, Education, and Welfare, Mr. Flemming, testified before the subcommittee and gave a very good description of what the program would do. It is somewhat technical, but suffice to say it is designed to help those States which have inaugurated desegregation programs to get by the difficult period of transition. Carrying out their duty to comply, of course, with the rulings of the Supreme Court and other Federal courts, these States and communities are required to make adjustments which may impose temporary, but yet serious, financial and education burdens on their existing school system. Under this technical assistance provision, which is not in the committee bill at the present time—and I may say parenthetically here that under the discharge petition, the committee bill would be subject to amendment—Federal grants would be available to pay half the costs borne by local educational agencies for providing additional nonteaching professional services, which may be required by them in handling their desegregation programs. This would include various things such as supervisory workers, administrative personnel, pupil placement officers, social workers, visiting teachers, and so forth.

One very important comment that I should like to make at this point, Mr. Speaker, is that these funds are on a matching basis, thereby embodying the fundamental principle that Federal grants should be on a matching basis wherever possible.

Secondly, grants would not be made available except at the request of the local community. In other words, if a local community, which is subject to a State plan of desegregation or a local plan would like Federal assistance, it may come forward and ask for it. I was not a Member of Congress during the debate on and passage of the 1957 Civil Rights Act. But I followed the discussions closely and I had been with the Department of Justice when the act was drafted in the Department of Justice. It was argued then, incorrectly, that the legislation was severe, that it was interference with a local matter, that it was punitive. Those same discussions have been repeated in connection with the present legislation. It is argued that this is the long arm of the Federal Government telling one-third of the country how they should comport themselves. But here is the answer to that: This is a moderate bill. Criminal provisions are deemphasized; civil provisions are emphasized; and here in title 8 we have proposed a helpful, constructive step. The Federal Government says "We share in this burden, and the entire country shares in this burden because the entire country naturally shares the unhappiness that is caused any time there is a denial of equal protection of the laws."

In the closing moments, I should just like to comment briefly on two other matters which are not contained in the committee bill: One is the so-called title 3 provision. This provision, Mr. Speaker, is one which will give the Attorney General of the United States the power to initiate civil injunctive proceedings against individuals depriving a person of the equal protection of the laws by reason of race, color, religion, or national origin, upon the Attorney General's receiving a complaint from such person so alleging and upon the Attorney General's certification that the person could not obtain legal protection by his own efforts.

In addition title 3 would authorize the Attorney General to seek injunctive relief against any person hindering Federal or State officials from according equal protection of the laws, or from carrying out court decrees, and upon complaint received, to seek injunction against individuals who, under color of State authority seek to deprive persons of rights guaranteed by the 14th amendment. This provision, Mr. Speaker, broadens out the safeguards which the Congress gave to every man and woman in the act of 1957 with respect to the right to vote. What the Congress felt called upon to say at that time was that no person shall be denied the right to vote because of race, color, or creed. What this proposal seeks to do is to broaden the civil injunctive remedy that was provided for that particular constitutional guarantee. It is illogical to say that you may have statutory powers in respect of one right but not in respect of others.

No particular constitutional guarantee stands in any higher status than any other. If it is important to guarantee the right to vote it is certainly important to guarantee every other constitutionally protected right.

Lastly, the committee bill did not include a very important provision which the Secretary of Labor felt very strongly about, and that is the so-called title VI. This also was included in this subcommittee bill as it was reported out by the subcommittee, and it would give legislative sanction to the President's Committee on Government Contracts. This Committee under executive sanction policies Government contracting practices to promote the elimination of discrimination in employment based on race, creed, color, or national origin in the performance of Government contracts.

Secretary Mitchell, the Secretary of Labor, said in the hearings:

> If a Commission of this type is to do its job fully and effectively, its basis in law should be clear and unequivocal. If the task of Government to advance equal job opportunities is worth doing, it is worth doing right, and it is worth doing with the full weight of Congress behind it. An agency of this kind should be strengthened with congressional approval (hearings, p. 322, Mar. 12, 1959).

I concur in that statement, Mr. Speaker.

Mr. Speaker, in closing, I should like to say that, if we do not have a civil rights bill in this 1st session of the 86th Congress, I, for one, will be deeply disappointed. I am fully prepared to stay here as long as necessary in order to complete our work on civil rights. I understand that under the rules of the House, assuming we are on the eve of adjournment, that even should we get the necessary number of signatures on the discharge petition it will be too late for the bill to come to the floor of the House by that procedure. I do not know. Should we not take action on this matter

now, it is important that it become the first order of business in January.

Again, I do not wish to speculate as to why we do not have a bill, what has happened to it, why it is buried in the Rules Committee, but I do say the majority of the House must face up to the fact that the Rules Committee is controlled on a 2-to-1 basis by the majority; and, if a civil rights bill of the kind I have been talking about is not brought to the floor of this House, then I think we will have to assess the responsibility accordingly.

Mr. TOLL. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to my good friend, the gentleman from Pennsylvania.

Mr. TOLL. I want to compliment the gentleman from New York for his fine analysis of the civil rights bill and on the fact he is urging the Members of the House to sign the discharge petition that is on the Speaker's desk.

I want to say that I am as unhappy as he is about the deletion of titles III, VI, and VIII. I had a bill myself on title VI. I hope that the gentleman's argument and presentation today in connection with the civil rights bill is persuasive to the point that members of his party will join others and sign the petition on the Speaker's desk.

I call the gentleman's attention to the fact that the Declaration of Independence, which was signed in 1776 starts out with a preamble that all men are created equal, that they are endowed, by their Creator, with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

In a similar way, amendment 14 of the Constitution provides:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

I would say that the civil rights bill reaffirms the provisions of the Declaration of Independence and the provisions of amendment 4 to the Constitution. I hope that all Members of the House on both sides of the aisle will reaffirm their belief in these provisions of the Declaration of Independence and march up to the rostrum tomorrow and sign the petition to discharge the Rules Committee from further consideration of the rule.

Mr. LINDSAY. I thank the gentleman for his comment. His point is very much in order.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I would like to take this opportunity to associate myself with the remarks of my friend and distinguished colleague from New York [Mr. LINDSAY]. To my mind there is no more important challenge remaining for the Congress this year than the enactment of an effective civil rights bill. It would be nothing less than tragic if we allowed parliamentary tactics to thwart legislative action on this vital issue.

I have always been deeply convinced that we have a solemn obligation to those we represent, and, indeed, to the Nation as a whole, to protect and preserve our form of government and to ensure to every American that the dignity of the individual under a framework of law will be forever preserved and guaranteed.

Our Constitution is the lasting evidence of this conviction and we in Congress are entrusted to uphold and defend that Constitution—particularly the rights of all Americans, irrespective of color, race, religion, or national origin.

Continuous vigilance is essential if we are to uphold these principles, particularly in this day when we are faced with the supreme challenge from those forces in the world which are dedicated to the destruction of the human values in which we believe so deeply.

My own parents, who emigrated to these shores at the turn of the century in search of these very liberties, have instilled in me since my childhood a deep appreciation of such great human values. Therefore I cannot remain indifferent when qualified segments of our citizenry are denied the right to vote, or when under color of law citizens are deprived of equal opportunity to be educated to the full extent of their abilities, or to seek employment within their talents, or when American citizens are deprived of adequate and decent housing befitting simple human dignity.

Mr. Speaker, I want to draw particular attention to the additional views of my distinguished colleague the gentleman from New York [Mr. LINDSAY] and of the gentleman from New Jersey [Mr. CAHILL] in the report of the Judiciary Committee on H.R. 8601. They show that the problem is truly national in scope and that if the denial of equal protection of the laws occurs in one local community, the fiber of our national community is weakened. I join with Mr. LINDSAY and Mr. CAHILL in subscribing to the majority report on H.R. 8601, but with them I feel that title VIII, the so-called technical assistance provisions, which were excluded from the clean bill, should be approved by the Congress. We must show a proper spirit of understanding and cooperation with those communities in America which face serious problems of readjustment as a result of the Supreme Court's school desegregation decision.

It is because of my deep feeling in these matters that I signed the discharge petition to bring H.R. 8601 to the floor for debate and vote. Despite the fact that this is an extraordinary parliamentary method, one which should be used only in rare instances, I was convinced that legislation designed to protect the very foundations of this Nation should receive full and timely discussion here in open forum.

I believe that if we take full cognizance of our oaths to uphold the Constitution, the theme of which is "liberty with justice for all," then we cannot adjourn this session of Congress without approving adequate and fair legislation to meet the great proven need.

Mr. LINDSAY. I thank my good friend the gentleman from Massachusetts for his comments.

HYPROCRISY AND CIVIL RIGHTS

The SPEAKER pro tempore (Mr. SANTANGELO). Under previous order of the House, the gentleman from Pennsylvania [Mr. MOORHEAD] is recognized for 20 minutes.

Mr. MOORHEAD. Mr. Speaker, first I should like to commend my very good friend the gentleman from New York [Mr. LINDSAY] for his able support of the civil rights bill and the discharge petition.

I also wish to commend by colleague the gentleman from Pennsylvania [Mr. TOLL] and the gentleman from Massachusetts [Mr. CONTE] for their support of this legislation.

All of these gentlemen have by their actions in this session of Congress given great support to this type of legislation.

Contrary to my very good friend and colleague the gentleman from New York [Mr. LINDSAY] I would like to speculate a little bit on why we may not have civil rights legislation on the floor of the House during this session.

Mr. Speaker, a glaring hypocrisy marks the closing days of this session of Congress.

The hypocrisy is this: Those who clamored loudest for a so-called bill of rights for labor are trying to see to it that Congress adjourns without enacting legislation protecting the genuine Constitution-rooted civil rights of millions of Americans.

Responsible commentators charge there is an unholy alliance at work; that support for the administration's tough labor bill was purchased only in return for an agreement to block civil rights.

A document now on the Speaker's desk will prove whether or not this unholy alliance exists. The document I refer to is the Celler civil rights discharge petition. The signatures on this petition will give us a truer picture about this coalition or unholy alliance than any charges I might make.

Practical politics tells us that most Members from the South in either party will not sign this petition. Years of tradition and deeply imbedded patterns of social thought preclude this.

The American people, however, can and do realistically expect Members from the North and West of both parties to sign the petition. I predict a great majority of Democratic Members from these areas will sign it, but will this be true of Republican Members from the North and West?

It should be, for the petition proposes to bring before the House substantially the civil rights program supported by the administration. On many other occasions this year we have seen the solidarity which the Republican leadership can muster in this House and one wonders

whether this same leadership and solidarity will be exerted on behalf of civil rights.

If a majority of Republicans from the North and West do not sign the petition the American people will be entitled to draw one of two conclusions—either, first, the Republican Party, despite protestations to the contrary, is really opposed to civil rights legislation, or second, the Republican Party, in a shabby deal, has bargained away any effective support it might otherwise have given civil rights this year as part of the price of obtaining support for the administration's tough labor bill.

If the latter is true, the coalition will have been effective, but at a dreadful price.

Who will pay this price?

Primarily it will be the millions of Negroes in America, the very people we are supposed to be trying to help.

The Negro will pay it as he continues to be denied the opportunity for an adequate education. He will pay it again as he continues to be denied his right to vote and, along with millions of Americans in other minority groups, he will pay it through continued discrimination in employment based upon race, creed, and national origin.

Another group who will pay the price for the coalition's handiwork will be those Americans who have seen the synagogues and temples of their faith bombed in senseless acts of violence which Federal authorities cannot now prosecute or prevent as efficiently as would be the case were a strong antibombing law now on the statute books.

No new purpose would be accomplished here by listing these bombings or recalling the dishonor roll of the places where mob violence has closed schools. These events are already inscribed indelibly upon the conscience of America and in the minds of other people whom we must face daily in the conduct of world affairs.

These things have created a false impression of America for, in reality, our national history, despite occasional regressions, has been one of progress toward wider enjoyment by more and more of our citizens of those civil rights without which there can be no real life of freedom.

The 1954 Supreme Court decision outlawing segregation in public schools was an important step in this direction, as was the enactment of the act of 1957 which created the Civil Rights Commission.

Both the decision and the creation of the Commission bespoke a principle. They put us as a nation on record as fostering real civil rights for many millions of Americans who do not now enjoy them as fully as they must.

Now we must take another step. We must enact a broad law giving substance to civil rights.

We have such a bill if we will pass it. I refer to H.R. 3147 as amended by a judiciary subcommittee after extensive hearings. The bill's nine titles combine to give us a balanced, moderate approach to our most urgent problem in the civil rights field.

Briefly, these titles covered obstruction of court orders in school desegregation cases; flight to avoid prosecution for destruction of educational or religious structures; authorization to the Attorney General to institute civil proceedings to protect the right to equal protection of the law; preservation of Federal election records; extension of the Civil Rights Commission for 2 years; creation of a commission on equal job opportunity on projects under Government contracts; provision for the education of children of members of the Armed Forces; provision for grants to assist States and local educational agencies to effect desegregation; and a general separability clause.

The full committee, in approving a clean bill, H.R. 8601, deleted three of these titles: the one authorizing the Attorney General to institute civil proceedings to protect civil rights; the one creating a commission on equal job opportunity on Government contracts, and the one providing grants to assist State and local educational agencies to effect integration.

This is the bill bottled up in the Rules Committee and the one a majority of the Members of this House should insist be brought upon the floor.

Once on the floor, the bill should be amended to restore authority for the Attorney General to institute civil proceedings on behalf of individuals being denied their civil rights and the provision creating a commission on equal job opportunity.

Enact a law containing these seven substantive points and Congress will have made a major contribution in the civil rights field.

Title I of H.R. 8601 would make it a Federal offense to willfully use force or threat of force to obstruct or impede court orders for school desegregation purposes.

In the opinion of the Justice Department there is doubt as to whether existing authority of Federal courts is sufficient to impose effective sanctions against members of a mob. The objective of this proposal is to remove that doubt.

Title II makes it a felony to move in interstate or foreign commerce to avoid prosecution for the destruction of educational and religious structures. Upon conviction for such destructive acts, this provision would make it a crime to cross State lines in a flight to avoid confinement. Flight to avoid testifying in such cases would also be punishable under this provision.

A bombing is one of the most difficult crimes to investigate. Most often the instrument of the crime, the bomb, destroys many of the clues. Here is an area of crime requiring highly skilled scientific detection.

The antibombing provision proposed in this section would make it easier for the Federal Bureau of Investigation to step quickly into such cases, thus bringing to bear the most skilled crime detection personnel at our command.

Title III of H.R. 8601 will require the preservation for 2 years of records in elections for Federal offices. Such preservation is vital if we are to provide more effective protection of the right of all qualified citizens to vote.

Title IV would extend the Civil Rights Commission for 2 more years. Unless this is done, the Commission's statutory life will expire.

Title V, providing for education of children of members of the Armed Forces, recognized the serious responsibility of the Federal Government for the education of children of military personnel.

These men and their families have no real choice of schools for their children. They must move their families from base to base, depending upon military requirements.

For example, the closing of the public schools in Norfolk, Va., involved 2,500 school-age children whose parents were on active military duty in the area. Of this 2,500, only 250 lived on military bases. These were the only ones for whom the Federal Government could have provided schooling had the schools remained closed.

The committee-approved bill would deal with this problem by empowering the U.S. Commissioner of Education to make arrangements for the education of children of members of the Armed Forces on active duty, whether or not residing on military bases, when the schools which usually provide public education are made unavailable to these children through closing by the State or local government.

I referred a few moments ago to H.R. 3147, the bill approved by this Civil Rights Subcommittee. Among the provisions deleted from this measure was its widely publicized title III which would have authorized the Attorney General to institute injunctive proceeding on behalf of individuals who have been denied civil rights.

This provision is, perhaps, the most important step we can take now in the civil rights field and should be restored to H.R. 8601 if we are successful in bringing the latter to the floor with a discharge petition.

This is important because the people most frequently victimized by denial of civil rights are the people least able to pursue their own legal remedies.

These are the people who live in fear and coercion. They most often lack the resources to go to court themselves and have nowhere to turn if not to the protection of the Federal Government.

Another section deleted from the bill and which should be restored is the one creating a commission for equal job opportunities in work covered by Government contracts.

More than civil rights are involved here because discrimination in employment on the basis of race, creed, and national origin hurts not only the individual jobseeker. Such discrimination prevents full and effective use of our national work force and, in so doing, injures the entire economy.

These seven substantive points will give us a balanced civil rights program.

I urge my colleagues to sign the discharge petition so H.R. 8061 can be brought to the floor and there, after inclusion of the two provisions I have just

mentioned, passed to give us a meaningful civil rights bill.

What Congress does on civil rights at this time will tell the world whether civil rights are to fall victim to cynical government-by-coalition, or whether we can act on civil rights with statesmanship.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from New York.

Mr. LINDSAY. I have listened with a great deal of interest to my very good friend from Pennsylvania, for whom I have the utmost respect as well as friendship. It is a fact, is it not, that there are two Democrats for every Republican in the House of Representatives? It is a matter of simple mathematics. If the Democrats want a civil rights bill, all they have to do is to snap their fingers and get it out; is that not true?

Mr. MOORHEAD. No, that is not true. I beg to differ with the gentleman. We all recognize that in the South of this country there is prejudice against civil rights. I believe that to get a bill out we must have a majority of the Members from outside of the South. I do not believe that any Republican Member from the South or any Democratic Member from the South would sign this petition. We must rely on Members from other parts of the country from both sides of the aisle. I hope that a majority of the Members on your side of the aisle will sign the petition.

Mr. LINDSAY. That is very interesting, because I am always puzzled by the double standard that seems to be used on the Democratic side of the aisle. We are Republicans over here, and we own up to our deficiencies as well as take credit for the things we do well. But on the Democratic side of the aisle it seems that all of a sudden the Democrats are disowning a chunk of their own party. I do not see how it is possible for a marriage, such as you obviously have over on your side of the aisle, to be a faithful marriage if occasionally one party to the marriage is going to be unfaithful to the other. What I am saying is that you may not have the best of everything at all times and you cannot be one happy family under the label Democratic Party for all things and then all of a sudden take a powder when it comes to responsibility for this subject.

Mr. TOLL. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. MOORHEAD. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Mr. Speaker, I happen to be a member of the Committee on the Judiciary and a member of the subcommittee that considered the civil rights bill. My learned and distinguished friend from New York was present at the committee meeting when the civil rights bill was voted upon. I am quite sure that he saw who voted for it and who voted against it. I would like to inquire whether it is not true that members of his party not only from the South but from the North ignored the request of the President of the United States who stood here on the rostrum and submitted his recommendations for the bill which was introduced by Mr. McCULLOCH from the minority side, containing specifically the recommendations of the President. They, in their own judgment, ignored his recommendations, their party leader. I want to know whether that constitutes solidarity and unanimity and such consolidation of effort that it can be distinguished from that to which he has pointed on the Democratic side.

Mr. MOORHEAD. Mr. Speaker, I yield to the gentleman from New York to answer that question.

Mr. LINDSAY. I should be glad to. In the Judiciary Committee there were members from the North, Democratic and Republican, who voted against some measures, and for other measures. My distinguished colleague knows perfectly well who they are. All I am saying is that there are two Democrats for every Republican on that committee and if the Democrats wanted to get a bill out that included all of the administration's recommendations, all they needed to do was to vote "aye."

Mr. TOLL. Mr. Speaker, will the gentleman yield so I may ask just one more question?

Mr. MOORHEAD. I yield.

Mr. TOLL. Can the gentleman from New York, who represents the minority side, indicate the great support of the minority side for the President whose bill was reported out of the committee by marching up to the aisle tomorrow and getting signatures on the petition to discharge of at least half of his Members?

Mr. LINDSAY. We shall see what signatures are on the discharge petition. I firmly expect that there will be an overwhelming number of Members from both sides of the aisle. I, of course, will assume that there will be two Democrats for every Republican who will sign that discharge petition. There have to be. There are two gentlemen on that side for every one on this side.

Mr. MOORHEAD. Mr. Speaker, I would like to suggest to the gentleman from New York that in making my predictions I am also predicting that those Members from his side of the aisle who come from the South will not sign this petition. This is a regional problem. My remarks were partly political, I will concede, and were designed to help you possibly in goading a few more Members on your side, and I hope some more Members on my side, to sign the petition. I think the objective of all three of us who have carried on this colloquy is primarily to do everything we can to get this discharge petition signed so that as soon as possible, this session we hope, and if not, as early as possible in the next session, we will have civil rights legislation to work on.

Mr. LINDSAY. Hear! Hear!

MUTUAL COOPERATION AMONG NATIONS OF THE WORLD

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, the total challenge of the present demands of the United States and of the free world a complete and total response. If mankind is to shed the enervating scourges of poverty, ignorance and disease which have exacted their toll socially, economically and politically for so many ages, every resource at its command must be employed unreservedly and unstintingly. In a world drawn inexorably together by technology at an ever-increasing pace, common effort and cooperation are the only sensible responses to universal problems.

Pooled knowledge, skill, and resources offer incalculable benefits. Not only can a vastly enlarged program of assault against the ancient enemies of mankind be framed, but in the process lies the best chance for the growth of increased understanding, mutual respect, and a sharing of values among the peoples of the world the irrefragable rudiments of a just and lasting peace.

Mr. Speaker, since May, a bill designed to stimulate and advance mutual cooperation among the nations of the world has been languishing before the Interstate and Foreign Commerce Committee. Senate Joint Resolution 41, the world health bill, has yet to be considered by the full committee. In these closing days of the 1st session of the 86th Congress there is still time for reporting this bill to the floor of the House so that the Members may have an opportunity to act on it and send it to the President for signature. If, unfortunately, the committee does not act, I sincerely trust and fervently hope that the issue will to keep alive during the recess period of the House, and that the full committee will make this bill the first order of business when Congress reconvenes in January.

Surely the world of medicine has never recognized national boundaries nor petty rivalries. It is a force which throughout history has bound men together—where a victory by one nation constitutes a triumph for mankind. Are we, through inaction, to suffer another missed opportunity to forge a fundamental component of peace? Must this crucial era witness another "lost chance" because of our insufficient vision and concern?

Senate Joint Resolution 41 has the full support of many of our leading citizens—General Bradley; Dr. Detlev Bronk, president of the Rockefeller Institute for Medical Research and president of the National Academy of Sciences; and Dr. Howard Rusk, chairman, department of physical medicine and rehabilitation, New York University Bellvue Medical Center.

It is designed to bring together the skills and resources of the health experts of this country and the knowledge and capabilities of experts of other nations in a world attack on the unsolved problems of disease and disability which know no national boundaries.

It would create a National Institute for International Health and Medical Research to be organized within the existing National Institutes of Health. It authorizes the Surgeon General of the U.S. Public Health Service, under the general supervision and direction of the

Secretary of Health, Education, and Welfare, to encourage, support, and cooperate in the planning and conduct of research, experiments, and studies relating to the causes, diagnoses, treatment, control, and prevention of physical and mental diseases and impairments of man. Such research, studies, and experiments may be carried on in the United States or in foreign nations. It also authorizes the encouragement and support by the Surgeon General of the international exchange of knowledge in these vital fields.

The bill, in essence, offers a positive program for the furthering of man's knowledge in the cause of health and the betterment of all mankind.

For such a purpose, its authorization of $50 million annually is exceedingly modest indeed.

With its provisions for exchange of knowledge and techniques, for aid to hospitals, universities, and laboratories which further its objectives, and, provisions for loaning equipment, improving facilities and cooperating with world health groups, it offers a medium for cooperation among all nations, including the U.S.S.R. and other Communist countries.

Should these nations refuse to share in the effort, it would only demonstrate their callous disregard for human welfare. But, the way would be open to them, and the means available for joining in a program for the benefit of all peoples.

The cause of peace demands total employment of every possible resource. This bill can provide us with an opportunity to construct a fabric of mutual cooperation leading to greater understanding among nations.

As one of the sponsors of the resolution in the House, I strongly urge that the bill be reported out. If it is deemed wise to amend it, such can be done. The vital thing is to secure its enactment. On this theme, under unanimous consent, I insert in the RECORD at this point in my remarks an editorial from the New York Times of August 23, advocating action on the bill this session:

THE HEALTH FOR PEACE BILL

Some of the arguments now advanced against bringing out of the House committee, where it has stayed since May, the health-for-peace bill do not ring entirely true. It is now urged in some quarters that there may be administration opposition unless the basis for the control of funds to set up an international medical research institute is modified. And if there is administration opposition, it is argued, there will be a formidable body of adverse votes if and when the measure ever comes to the floor of the House.

Presumably the form in which the measure passed the Senate by an overwhelming vote is acceptable to the House. But those in control of the measure now, although they say they favor it, are fearful of a presumptive administration attitude that would hurt its chances. Therefore, it may be deemed more expedient to do nothing.

There is one way to find out. Report out the measure, now, favorably. Put it to a vote. Adopt it, and then see what the administration attitude is. No one has had the temerity to suggest that a veto is even a remote possibility, since the measure stemmed from President Eisenhower's own recommendations. If the administration wishes to suggest some amendments at a later date they can be debated in due course, and if they are found desirable they can be adopted.

The important thing now is to avoid killing a vital measure by the simple technique of inaction. That need not be done, and the risk of it is far greater than that of any administration disapproval of details.

The world health bill, Mr. Speaker, can be a potent instrument of peace and good will.

WE MUST PRESERVE OUR HISTORICAL SITES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, we all recognize the desirability and the need for the extending of our highway system to serve better the requirements of a rapidly growing nation. Especially is this a compelling consideration in this era of continually increasing travel by motor. Creation of new transportation routes and expansion of existing roadways is essential to the defense, the commerce, the convenience and the productive strength of America.

Unfortunately, however, there have been a number of regrettable incidents where Federal highway building has tended to fail to take into proper account the importance of protecting intrinsic historical values. Several such instances have occurred in the Eighth Pennsylvania District which I have the honor and privilege to represent.

Bucks County and Lehigh County, which together comprise this district, have a common heritage. Both are rich in history. I shall not take the time of my colleagues to point out that the Nation was born on Pennsylvania soil and preserved there, and that the Bucks-Lehigh area includes some of America's best known, best loved landmarks. It was Rudyard Kipling, in his tribute to the Keystone State, who wrote, "The things that truly last when men and times have passed, they're all in Pennsylvania this morning."

Let us be agreed that the preservation of these historic spots which are a treasured part of our American scene is in keeping with a rising awareness of the essential urgency of holding intact for future generations these enduring reminders of events that shaped the course of our Nation's growth.

We are dealing not with a stodgy preoccupation with history, nor an obscure exercise in a pointless remembrance of things past. Rather, we are acknowledging the vibrant truth that to this soil were brought ideals of universal suffrage and religious toleration that took root in the American Colonies and which today distinguish the United States in the eyes of the world.

Certain it is that history and progress are in no way incompatible. Actually, the two have a proper affinity. Thomas Jefferson said, "History, by apprising men of the past, will enable them to judge of the future." James A. Garfield pointed out that "History is but the unscrolled scroll of prophecy." An ancient Greek penned that "History is philosophy learned by example."

Mr. Speaker, millions of Americans share a common feeling of reverence for history that transcends boundaries or geographical areas. I have cited my own District in Pennsylvania merely as an example. There are many other such areas in every part of our Nation which have their own unique and distinctive claim to history acquired over the years. I believe that the people of America have a mutual philosophy that history is indeed the witness of the times, the light of truth. Its use is to give practical value to the present hour—especially in these days when our American way of life is contesting with Communistic dogmas all over the world.

For these reasons, I have introduced a bill—H.R. 3459—which would amend the act of August 21, 1935, to provide for a determination of whether certain sites, buildings, or other objects are of national historical significance, and to prohibit the use of Federal funds for highway purposes which damage or destroy national historical sites, buildings or other objects.

The measure which I have proposed would require the Secretary of the Interior, on receipt of a petition, or petitions, from what he determines to be a sufficient number of interested persons of the affected area, to determine whether a proposed highway project will seriously damage a historical site, building or object of national significance. The Secretary's investigative scope would be confined, it should be emphasized, to projects proposed by a State or political subdivision of a State which is to be financed in whole or in part with Federal funds. The Secretary of the Interior would be permitted to conduct an investigation that would include, but not be limited to, holding public hearings at convenient locations, or affording the opportunity for such hearings. All this would be done in cooperation with local interests.

This phrase, "in cooperation with local interests," is an integral, meaningful part of the bill. It is intended to give recognition to the rights of local citizens. It is designed to prevent the overriding of the prerogatives of local people. One of the ever-present dangers of any massive program, be it highway building or anything else, is the possibility that authority to condemn property in the so-called public interest may be misused or subverted by thoughtless enforcement of power.

H.R. 3459 specifies that whenever the Secretary of the Interior determines that a site, building, or object is of national historical significance, he shall "forthwith" determine whether or not the proposed highway project will seriously damage or destroy such a site. If he comes to the conclusion that such damage would result, he notifies the Secretary of Commerce of his determination. The Secretary of Commerce, once notified to this effect, would not approve the expenditure of Federal funds for such a project. If the project prior to such notification had been so approved, no further expenditure of Federal funds

would be made after the notification date. This latter stipulation is provided for in section 2 of my bill by amending chapter 3 of title 23 of the United States Code.

Mr. Speaker, there can hardly be any taking issue with the significance of protecting America's historical shrines. While the record shows a minimum of incidents where highway construction financed in whole or part with Federal funds has threatened damage or destruction of historical spots, there have been enough such incidents to underscore the wisdom of and the need for this Congress to enact legislation to prevent such occurrences in the future. The real remedy that this bill aims to achieve will be found in its provision for spelling out specific procedures by which local citizens alarmed and disturbed by a threat to history's honored shrines would be allowed to petition for a hearing and an investigation of their reasons for taking such a view. With this, there can be no quarrel, surely. This is not to say that such protests will always be determined to be valid and just. Interpretations of history's values and meanings are assuredly varied. But this bill would guarantee the right of local people to be heard in defense of what they sincerely believe to be a peril to a site, building or other object of national significance. And that is what we are here primarily concerned with.

Mr. Speaker, the approval of this legislation would, I am sure, be welcomed by every local, regional, State and national historical group in the country, and by all people who have a profound respect for the earnest dignity of history.

LAOS, A TIME FOR REEVALUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 10 minutes.

Mr. WOLF. Mr. Speaker, I wish to commend to the attention of the Congress the remarks of Senator MANSFIELD which appear on page 18306 of the CONGRESSIONAL RECORD. His remarks are a factual, dispassionate analysis of the current problem facing the world in Laos. Senator MANSFIELD points out, and I certainly agree that military involvement in the Lao area should be as a last resort, not as an immediate reaction.

The current Lao problem raises certain questions in the minds of those who are familiar with our southeast Asia policy. For example, Senator MANSFIELD asks what "effect the vast increase in American officials in Laos from a total of two State Department people in 1953 when I first visited the country to the hundreds at the present time, representing numerous executive agencies—what effect this sprawling growth has had on the development of our policies, our relations and our deepening involvement with that country." Indeed, it would be very sad if the United States, because of bad administration and communication between the various branches of our Government, the Central Intelligence Agency, ICA, the State Department have acted as a catalyst for crisis in this area. It is about time that the administration reaffirmed the long standing historical fact that the Department of State should make foreign policy for the United States, not the various subsidiary or auxiliary agencies which have a much too important hand in the way our foreign policy is conducted.

Senator MANSFIELD raised two other questions which are food for thought regarding the Lao crisis. It should be remembered that in 1955, under the Geneva accords on Indochina a truce was arranged between the rebels who held the northern provinces of Sam Neua and Phong Saly and the Royal Lao Government. The truce was kept for 3 years by the presence of a peace team which included Poland, India, and Canada. At the insistence of the Royal Lao Government the peace team was withdrawn after an accord was reached between the Lao Government and the rebel leaders. Mr. MANSFIELD raises the question as to whether the peace team should have been withdrawn before there was an actual stable, peaceful, and politically sound situation in Laos.

The final question raised by Senator MANSFIELD concerns foreign aid to this area. A short while ago we heard statements by the administration that the hundreds of millions of dollars that we are spending in Laos has had the effect of keeping stability in and communism out. This, we find today, is not the case.

I firmly believe that now is the time to reevaluate two basic situations which bear on each other. We must change our foreign policy administration so that there is no more overlapping, undercutting, and contradictory decisions made by a host of different departments of our executive operating at cross purposes.

We must reconstruct our Far Eastern policy so that our efforts, the billions we have spent and the freedom of millions of Asians will not be sacrificed by haphazard policies and bumbling administration.

We must ask ourselves whether the policies we are pursuing in this area are for the good of the area or for what a certain few conceive of as being our interest in that area.

The present difficulty in Laos offers the United States an important chance to make our position quite clear; we will not tolerate aggression, but we will see that international agreements such as the Geneva accord are assiduously carried out. I am hopeful that the U.S. delegation to the United Nations will be instructed to take this position.

THE KHRUSHCHEV VISIT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. GALLAGHER] is recognized for 5 minutes.

Mr. GALLAGHER. Mr. Speaker, the decision by the President of the United States to invite the Premier of the Soviet Union, Mr. Khrushchev, to visit this country was reached, I am certain, after long and careful deliberation.

Evidence of increasing hostility to Mr. Khrushchev's being received in this country, as a distinguished guest, and accorded all the honors of a visiting head of state, and the possibility that there may be outward demonstrations of this hostility, is a matter of grave concern to the Government. Violent demonstrations could undo all that the President hopes to achieve for peace by his face-to-face talks with the Soviet Premier.

Many of us have grave reservations as to the wisdom of inviting Mr. Khrushchev to the United States, but the President has made his decision, in an honest endeavor to do everything possible to bring about a just peace and to lessen the possibility of war. The decision having been made, we must support him in his action.

There is need to recognize that Mr. Khrushchev represents many things which we, as Americans, hate and despise. He is the leader of evil forces that are ruthless and unmerciful in stamping out freedom. Forces that have enslaved nations and sent millions to tortured deaths. Despite a tendency to improved relations with the Soviet, we should be mindful that there is no change in the Communist philosophy nor has the Communist objective of world domination been in the least altered.

For those who have felt the whiplash of Communist tyranny, we will grieve as we watch Mr. Khrushchev's welcome. Our memory shall be tortured by the thoughts of the freedom-loving people living under the Communist yoke in captive nations.

The invitation to the Soviet Premier to come to America involves grave diplomatic risks of which, I am sure, the President is well aware.

The Communist dictator riding with President Eisenhower down Pennsylvania Avenue in an open car, waving to the thousands who will line the streets, and with the Soviet and American flags flying side by side in the background will make the greatest single propaganda picture in history. There is no estimating, in terms of Madison Avenue, the dollar value of this one picture as it will be used by the Communist propagandists throughout the world. It is disconcerting to realize the effect of such a picture as it will be displayed in the captive countries and in those countries where the fight against communism is very real and very hot.

We must realize that the story of Mr. Khrushchev's visit and the manner of his reception will be reported in his country and in the captive nations in a controlled press, and, without doubt, the polite reception by the American public will be reported in the papers of those countries as "America's howling and enthusiastic welcome for the Soviet Premier."

Mr. Khrushchev is interested not in peace, unless it be peace on his terms; he is interested in propaganda and this he shall reap in abundance, and we shall unfortunately and regrettably help him accomplish this.

The President is fully aware of all these implications; he has weighed the risks involved and has elected to receive Mr. Khrushchev. Our duty is to support him in this decision, no matter what our

personal feelings. The conduct and responsibility in the field of foreign affairs rests with him. This is not the time for political dissension for the decision once made becomes the policy of the United States. In the contest with international communism, we must support our Government. This alone is the issue—regardless how inviting the prospects for demogogic dissent.

Our conduct during the visit of the Soviet Premier might be guided by these facts:

That personally the President himself may find his duty in this instance distasteful and, indeed, he risks humiliation during unpredictable Mr. Khrushchev's stay here or when Mr. Eisenhower visits Russia.

That Mr. Khrushchev is being welcomed here not as a friend or wartime comrade, but merely as the formal representative of a foreign state.

That being host to a representative of a foreign government, with which we maintain diplomatic relations, requires that certain protocol be observed, this should not be interpreted as anything more than standing on ceremony.

The suggestion that I would like to make is that Mr. Khrushchev be received with polite restraint and that any display of hostility be discouraged. In this regard we might take a lesson from the citizens of Poland, a captive land, who received Mr. Khrushchev on a recent visit in just this manner. Theirs was an example we might best follow—to welcome the Communist leader with a polite lack of enthusiasm.

H.R. 8627, A BILL TO AMEND THE FEDERAL RESERVE ACT TO PROVIDE FOR THE RETIREMENT OF FEDERAL RESERVE BANK STOCK AND THE SUBSTITUTION OF INTEREST-BEARING DEPOSITS IN LIEU THEREOF

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 10 minutes.

Mr. MULTER. Mr. Speaker, my bill, H.R. 8627, a bill to amend the Federal Reserve Act to provide for the retirement of Federal Reserve bank stock and the substitution of interest-bearing deposits in lieu thereof, is intended to clarify the status of Federal Reserve System member banks.

Every national bank must be a member of the Federal Reserve System. State banks may or may not be members, as they choose. Even after they join, they are always free to withdraw. The stock ownership feature of the Federal Reserve System has been the subject of much discussion, speculation, and misinterpretation over a period of years.

Upon becoming members of the System, banks subscribe for the capital stock of the Federal Reserve bank in their district in an amount equal to 6 percent of their capital and surplus. One-half of this subscribed amount must be paid in and the remainder is subject to call. This investment in stock varies with the amount of capital and surplus of each member bank. Only one-half of the 6-percent subscription has ever been paid into the Federal Reserve banks.

The balance of 3 percent of the funds subscribed are not needed by the System, because up to now, these capital stock funds have not been used by the System in its operations. At the end of 1956, about one-third of $1 billion representing such stock, were on deposit with all Federal Reserve banks, while the total resources of the System ran into the tens of billions of dollars.

The relationship of Federal Reserve bank stockholders to the Federal Reserve System is quite different from that of any stock company or bank. It is indeed not stock, even though so-called and even though it yields to the member banks a 6-percent annual "dividend."

The owners of the stock have no claim on the earnings of the bank beyond that annual payment.

The money paid in by member banks to the Federal Reserve is not used in any operation of the System—that is, it is not invested in Government bonds or securities. The creation of credit by the Federal Reserve banks is limited by gold reserve requirements and is entirely independent of the capital of the banks. The paid-in stock funds are completely idle. They were not intended to and do not serve the purpose of capital. So eminent an authority as the late Dr. Emanuel Goldenweiser, Director of Research and Statistics for the Federal Reserve Board 1919–46, stated in 1952 that he regarded the stock of the Federal Reserve banks as an appendix, useless and unnecessary, which might very well be removed in any revision of the banking system. Further, he called the technical fact that the Federal Reserve banks are owned by the member banks "a piece of atavistic remnant of the philosophy of the Federal Reserve Act when it was enacted."

The members of the Federal Reserve Board have repeatedly reasserted the fact before congressional committees and elsewhere that the U.S. Government owns the Federal Reserve banks, that the commercial bank members of the Federal Reserve System do not own them, have no proprietary interest therein, and that the use of the word "stock" is a misnomer. H.R. 8627, which I introduced on August 11, would amend the Federal Reserve Act to provide for the retirement of Federal Reserve bank stock and the substitution of interest-bearing deposits in lieu thereof.

It is my conviction that this bill recognizes the basic relationship which in actual fact exists between the member banks and the Federal Reserve System.

Stockholding implies proprietary interest in an organization, and in no practical or technical sense may it be asserted that the commercial banks of this country which are members of the Federal Reserve System possess a proprietary interest in that System. They do not control the policies of the Federal Reserve banks.

The stock held by member banks has none of the attributes, rights or privileges of capital stock.

The banks holding the stock cannot sell it, vote it or hypothecate it. Upon joining the System they must make the required deposit and upon leaving the System that sum must be returned and their stock certificate is canceled.

Banks desiring in the future to become members of the Federal Reserve System would, in accordance with the provisions of this bill, obtain a certificate of membership in the System, rather than subscribing and paying for stock. When a member bank voluntarily liquidates or leaves the System, following passage of this legislation, it would have its membership in the System extinguished and the certificate of membership canceled.

Under the provisions of this bill, every member bank will maintain on deposit with the Federal Reserve bank of its district a sum equal to 3 percent of its paid-up capital stock and surplus, and may, when such action is deemed necessary by the Board of Governors, be required to deposit an additional sum not exceeding 3 percent of its paid-up capital and surplus. Any bank which is issued a certificate of membership will maintain on deposit with the Federal Reserve bank of its district an amount equal to six-tenths of 1 percent of its total deposit liabilities, subject to semiannual adjustment on the same percentage basis, and in accordance with the rules and regulations prescribed by the Board of Governors of the System.

The changeover from member bank stockholding to deposits would be achieved under this bill by canceling and retiring currently held stock and paying or crediting the former owner the par value of such stock, plus interest at the rate of one-half of 1 percent per month from the date of the last dividend. Each former holder of stock would be issued a certificate of membership in a Federal Reserve bank and in the Federal Reserve System. Member banks would thereby become depositors, which in point of fact they have been and are, rather than stockholders, which they have been in terminology only. As depositors they will receive interest on their deposits rather than an annual dividend as stockholders.

The interest-saving aspect of the bill should be noted. The new interest rate paid member bank depositors would be the lowest current discount rate charged by the Federal Reserve Bank at which the deposit is made, plus one-half of 1 percent. The present dividend rate is 6 percent. As of June 30, 1959, the countrywide prevailing rate in all Federal Reserve districts was 3½ percent, thus making the current interest rate which would apply to these deposits, 4 percent under this bill's provisions.

Attacks have been made against the stock ownership arrangement by the assertion that a privately owned banking system is issuing money in defiance of the clear declaration of the Constitution that only the Congress is endowed with such a privilege. This attack is made in connection with the issue of Federal Reserve notes.

All Federal Reserve notes issued in connection with monetary operations are obligations of the U.S. Government, and are not drawn on any funds derived from member bank sources. This accusation can be based on nothing in fact

except the titular stockholding in the System by member banks.

No member banks' capital stock paid into the System are used in any financial operations of the System. Nor do the Reserve banks act as agencies for the investment of member bank funds.

Many political implications have been drawn in the past from the tenuous connection between member bank "stockholding" and "ownership" of the Federal Reserve banks. This bill would correct the belief that because member banks receive a stock certificate from a Federal Reserve bank, they are, therefore, owners of the System.

Among others, Chairman Martin of the Federal Reserve Board has stated that perhaps the most significant purpose of the stockholding provision is to make member banks feel that they are active participants in the affairs of their Reserve banks—for example, they help to elect two-thirds of the directors for their regional bank. This right to vote for directors, however, is not governed, limited or fixed by the banks' stockholdings. Those voting rights and privileges as set forth in the Federal Reserve Act, are dependent on membership in the system and not on the stock held. This bill would in no way detract from the privilege of member banks to elect six of the nine directors of a Federal Reserve bank.

Perhaps the most persuasive feature of H.R. 8627 is that terminology and relationships within the Federal Reserve System will be clearly and aptly redefined. As a consequence, the Federal Reserve System will be reinstated to the position which it was intended to fulfill—that of a banking system carrying out its operations as an agency of the U.S. Government and under the surveillance and support of the U.S. Congress.

The stocks of the member banks of the system will become deposits bearing interest. The misunderstandings and misinterpretations arising from such doubtful terms as "stockholders" and "ownership of the Federal Reserve System by commercial banks" will be eliminated. This bill represents a facing up to the facts in the matter of the proprietorship of the Federal Reserve System.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN (at the request of Mr. DOOLEY), for 10 minutes, today.

Mr. MULTER (at the request of Mr. LIBONATI), for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. WOLF (at the request of Mr. LIBONATI), for 10 minutes, today.

Mr. GALLAGHER (at the request of Mr. LIBONATI), for 5 minutes, today.

Mr. DULSKI (at the request of Mr. LIBONATI), for 1 hour, on September 10.

Mr. MULTER (at the request of Mr. LIBONATI), for 1 hour, on September 10.

Mrs. ROGERS of Massachusetts, for 10 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. TABER, to revise and extend remarks made in Committee of the Whole and include a table.

Mr. WHITTEN, to revise and extend remarks made in Committee of the Whole and to include extraneous matter.

Mr. THOMSON of Wyoming, to revise and extend his remarks made in Committee of the Whole and to include extraneous matter.

Mr. CHELF.

Mr. COFFIN, to revise and extend the remarks he made in general debate on the passport bill and include extraneous matter.

Mr. HECHLER and include extraneous matter.

Mr. MACK of Illinois and to include extraneous matter.

Mr. FASCELL and to include extraneous matter.

(At the request of Mr. DOOLEY, and to include extraneous matter, the following:)

Mr. DAGUE.

Mr. BRAY.

Mr. JENSEN, to revise and extend his remarks made in Committee on H.R. 9105 and to include extraneous matter and tables.

(At the request of Mr. LIBONATI, and to include extraneous matter, the following:)

Mr. CELLER in two instances.

Mr. CARTER.

Mr. MACDONALD.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Wednesday, September 9, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1362. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1363. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes"; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEOGH: Committee on Ways and Means. H.R. 8318. A bill to amend the Internal Revenue Code of 1954 to exempt bicycle tires and tubes from the manufacturers excise tax on tires and tubes; with amendment (Rept. No. 1171). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASHMORE: Committee on House Administration. House Resolution 380. Resolution relative to the investigation of the November 4, 1958, election in the Fifth Congressional District of Arkansas, and declaring that DALE ALFORD was duly elected to the 86th Congress; without amendment (Rept. No. 1172). Ordered to be printed.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1173. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H.R. 9133. A bill to amend Public Law No. 177, 62d Congress, approved June 4, 1912; to the Committee on Interior and Insular Affairs.

By Mr. CARTER:

H.R. 9134. A bill to provide a new pension program for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. EVINS:

H.R. 9135. A bill to provide for the conveyance of certain real property of the United States to the city of Tullahoma, Tenn., and certain other real property of the United States to the State of Tennessee; to the Committee on Armed Services.

By Mr. FLOOD:

H.R. 9136. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 9137. A bill to provide for an averaging taxable income; to the Committee on Ways and Means.

H.R. 9138. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has stood in loco parentis with respect to them for at least 5 years preceding his death; to the Committee on Ways and Means.

By Mr. MOULDER:

H.R. 9139. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. OSMERS:

H.R. 9140. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. SAUND:

H.R. 9141. A bill to provide a health benefits program for certain retired employees of the Government; to the Committee on Post Office and Civil Service.

By Mr. SISK:

H.R. 9142. A bill to provide for payment for lands heretofore conveyed to the United States as a basis for lieu selections from the public domain, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY:

H.R. 9143. A bill to amend the District of Columbia Credit Unions Act; to the Committee on the District of Columbia.

By Mr. LANE:

H.R. 9144. A bill to provide that only certain official naval motor vehicles shall be allowed toll-free passage across the Mystic River Bridge; to the Committee on Armed Services.

By Mr. MACK of Illinois:

H.R. 9145. A bill to amend subchapter IV of chapter 15 of title 38, United States Code, to provide pension for the widows and children of veterans awarded the Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. MILLS:

H.R. 9146. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 9147. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; to the Committee on Ways and Means.

H.R. 9148. A bill to amend section 201 of the Social Security Act to revise certain provisions relating to the management and investment of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, and for other purposes; to the Committee on Ways and Means.

H.R. 9149. A bill to revise and improve the financing of the administrative and loan fund provisions of the employment security program, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 9150. A bill to establish a commission to conduct an impartial and scientific study and investigation to determine the effects on the public health of the practice of adding various chemicals to water supplies and food products; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLIKEN:

H.R. 9151. A bill to provide that compensation of an individual for services performed while engaged in commerce, or as an officer or employee of the United States, shall be subject to State and local income taxes only in the State and political subdivision in which such individual is domiciled, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 9152. A bill to authorize the waiver of certain restrictions on appointment of cadets to the U.S. Air Force Academy; to the Committee on Armed Services.

By Mr. MILLS:

H.J. Res. 521. Joint resolution making technical corrections in certain provisions of title II of the Social Security Act, as amended by the Social Security Amendments of 1958; to the Committee on Ways and Means.

By Mr. REUSS:

H.J. Res. 522. Joint resolution directing the Secretary of Health, Education, and Welfare to conduct certain studies and investigations relating to water pollution, and for other purposes; to the Committee on Public Works.

By Mr. KING of Utah:

H.J. Res. 523. Joint resolution to prohibit officers and employees of the United States from treating communal water supplies with fluoride compounds, until a report from the Commission on Food and Water Contamination shall have been submitted to the Congress of the United States; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BARING: Joint Resolution No. 20 of the Assembly of the State of Nevada memorializing the President and the Congress of the United States to appropriate funds to complete the unoiled portion of Route 8–A of the State highway system from a point beginning 10 miles west of Denio, Nev., west to the California State line; to the Committee on Appropriations.

Also, Joint Resolution No. 5 of the Senate of the State of Nevada memorializing the President and the Congress of the United States to define, and to cause the Attorney General of the United States to issue an opinion defining, the rights of State legislatures and agencies in enacting statutes and promulgating rules and regulations which apply to State agencies administering Federal grants-in-aid; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 9153. A bill for the relief of Kwanghan Kim and his wife, Duksung Hyun Kim; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 9154. A bill for the relief of Otto Bagai; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 9155. A bill for the relief of Stanley J. Moraski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

275. The SPEAKER presented a petition of the president, Free World Committee, Chicago, Ill., relative to requesting that the Congress of the United States shall lead our people in study and understanding of those principles of freedom which our first Congress proclaimed, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

West Virginia Is Getting Shortchanged

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 8, 1959

Mr. HECHLER. Mr. Speaker, over the past weeks I have stood repeatedly before this House and cited statistic after depressing statistic to bear out my contention that my State of West Virginia has been woefully neglected in the distribution of Defense Department sites, employment, and contracts.

My State, despite its many advantages, ranks a dead last among the 50 States in Defense Department spending and payroll, civilian and military. This, I submit, is an unfair situation.

Now, Mr. Speaker, I have compiled other figures which indicate that the Defense Department is not alone in its discrimination against my State—where unemployment remains shockingly high and where jobs are desperately needed.

Apparently the Commerce Department has a similar disregard for the needs and rights of West Virginia. I have here a list of Commerce Department employment in each of the 50 States, and the proportion of the total population which this employment represents.

Can you imagine where West Virginia stands? Again, at the very bottom of the heap.

West Virginia, with only 37 Commerce Department employees, has only .00184 of 1 percent of its total population on the Department's payroll.

I do not think one single Member of this House can fail to agree that this shocking story of abuse and discrimination deserves to be given fullest distribution.

When I was pointing out how the Defense Department has discriminated against West Virginia, I admitted that certain States were better suited than others for defense purposes. But I felt that, despite this fact, the evidence was clear that West Virginia had, indeed, been shortchanged.

By the same token, I am not suggesting that the Commerce Department install the headquarters of its Maritime Administration or its Coast and Geodetic Survey in a landlocked State such as West Virginia.

However, I am at a loss to explain how equally landlocked Idaho, with barely a fourth West Virginia's population, rates exactly five times as many Commerce employees, or how an inland State like Colorado, with less than two-thirds as many people, merits exactly 10 times as many.

I can say that some regional offices would seem ideally suited for the Mountain State. But apparently the Commerce Department has not even considered locating these facilities in West Virginia.

For example, my State is highly air-conscious, since the mountainous terrain makes other forms of transportation difficult. Yet there is not one single Civil Aeronautics Administration employee in the entire State.

In the field of business and defense services, which could be a godsend to assist industries and communities in overcoming the effects of a lingering recession, there is not one Commerce Department employee in the entire State. This division, which offers facilities and assistance so sorely needed, is not represented in the State where it possibly could do the most good.

Mr. Speaker, I do not ask needless favors for West Virginia. I do ask for equal treatment and fairplay.

I believe that it is becoming more and more evident that many departments of