It has been estimated that if under the present administration our economy had grown as fast as it did under the preceding administration, tens of billions of dollars would have flowed into the Treasury.

Under present world conditions, our nation can no longer tolerate a stagnant and partially idle economy. We must make whatever investments are necessary to assure the high rate of economic growth in turn essential for security and prosperity.

I believe in this country.

I believe in its capacity to grow.

I believe in its ability to snap out of this complacency. I believe that, with leadership, we can mobilize our energies and resources and turn back the Communist challenge, keep the peace, build a better world.

I have faith and confidence we will do so.

Thank you again for having me here today.

SENATE

WEDNESDAY, APRIL 29, 1959

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

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

Our Father God, once more in Thy great mercy the white scroll of a new day unfolds before us.

At this altar of prayer, set up so long ago by our fathers, we pause asking that Thy enabling might may undergird our weakness.

Inspire and guide with Thy spirit these servants of the people—the few among the many—lifted to high pedestals of power and responsibility, to the end that they may be found faithful stewards of the Nation's trust.

May they be led to wise decisions that shall help heal the wounds and bridge the gulfs of these embittered days.

We ask it in the Name that is above every name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 28, 1959, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

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

The Permanent Subcommittee on Investigations of the Committee on Government Operations; the Subcommittee on Government Organization for Space Activities; the Antitrust and Monopoly Legislation Subcommittee of the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of the morning hour, the call of the calendar be in order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

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

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

U.S. CIRCUIT JUDGE

The Chief Clerk read the nomination of Latham Castle, of Illinois, to be U.S. circuit judge for the seventh circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. COURT OF CUSTOMS AND PATENT APPEALS

The Chief Clerk read the nomination of Eugene Worley, of Texas, to be chief judge of the U.S. Court of Customs and Patent Appeals.

Mr. JOHNSON of Texas. Mr. President, for many years I served with Judge Worley as a Member of Congress from my State. He is a judicious man; he is an able man; he is consecrated and dedicated, and he has spent his life in the public service—as a member of the House of Representatives of the Texas Legislature and as a Member of the House of Representatives of the United States. I know of no more worthy appointment that has been made than the elevation of Judge Worley to be chief judge of the U.S. Court of Customs and Patent Appeals.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

The Chief Clerk read the nomination of Arthur M. Smith, of Michigan, to be associate judge of the U.S. Court of Customs and Patent Appeals.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of Edwin A. Robson, of Illinois, to be U.S. district judge for the northern district of Illinois.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

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

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

LEGISLATIVE SESSION

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

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

ANNOUNCEMENT OF CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask that the aids of the Senate, on both sides, please notify the legislative review committees that we shall take 10 or 15 minutes, or whatever time is necessary, for the morning hour; and then we shall have a call of the calendar. I ask that they arrange with the clerks at the desk for the call of the calendar as soon as the morning hour is concluded and as soon as a quorum call is had thereafter.

NOMINATION OF MRS. CLARE BOOTHE LUCE

Mr. MORSE. Mr. President, under the 3-minute rule, I wish to make a statement in regard to the nomination of Mrs. Luce.

I am advised that since yesterday afternoon some of my colleagues have received telephone calls in which it has been charged that I followed some improper course of action as a member of the Foreign Relations Committee, in investigating the qualifications of Mrs. Luce.

Mr. President, I never follow any course of action that I am not always willing to have placed on the top of the table. But when a nomination in the diplomatic and Foreign Service is before this body, it is my duty as a member of the Foreign Relations Committee to follow whatever reliable information is given to me in respect to the qualifications of the nominee.

In my long speech in opposition to the nomination of Mrs. Luce, I stated for the RECORD the four criteria which historically have been followed by the Senate in respect to passing judgment, under the advice and consent clause of the Constitution, on a nomination. I made very clear that I was basing my objection to the nomination of Mrs. Luce on the question of competency. I raised no other criterion at that time.

Mr. President, a very reliable newspaperman came to my office and said he thought I should call a certain individual in respect to the issue as to whether Mrs. Luce was lacking in respect of one of the other criteria; and of course I made the call. I shall not go into the details of that call because I think it involves matters of privacy. But in the course of it I said, "I only want an answer to this question"; and I put the question, and

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

got the answer. The record will show that I carried the matter no farther in raising any objection.

I understand that on the radio and in the press, charges are being made that I followed some improper course of action. Let me make very clear that so long as I am a member of any Senate committee, whenever a nomination within the jurisdiction of that committee is before the Senate, and whenever a question from a reliable source is raised as to the mental competency of the nominee, I intend to make inquiry, and to find as best I can what the facts are.

I will say no more about the matter. I have refused to discuss it with the press in any detail. But I want the record to show that I followed a course of action which, so far as I am concerned, is an open book, and I was carrying out my solemn duty as a member of the Foreign Relations Committee.

EXECUTIVE COMMUNICATIONS, ETC.

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

DISTRIBUTION OF CERTAIN FUNDS TO QUAPAW TRIBE OF INDIANS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

USE OF CERTAIN FUNDS, RELATING TO POTAWATOMI INDIANS, OKLAHOMA AND KANSAS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, MERCEDES DIVISION, LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Mercedes Division, lower Rio Grande rehabilitation project, Texas, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF WAR-RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of March 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

The petition of James M. Kurtz, of Fort Chaffee, Ark., praying for the enactment of House bill 6269, relating to the readjustment pay of certain warrant officers; to the Committee on Armed Services.

A resolution adopted by the Junior Chamber of Commerce, of Mount Carmel, Ill., favoring the repeal of the excise tax on telephone service; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. Con. Res. 23. Concurrent resolution authorizing participation in the Strasbourg Conference (Rept. No. 233); and

H. Con. Res. 95. Concurrent resolution authorizing reprinting of House Document No. 451 of the 84th Congress.

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 91. Resolution authorizing a study of the Federal judicial system (Rept. No. 234); and

S. Res. 110. Resolution to print, with additional copies, a report by Senators MANSFIELD and HICKENLOOPER on their observations of the United Nations.

EMPLOYMENT OF ADDITIONAL LABORERS BY SENATE SERGEANT AT ARMS—REPORT OF A COMMITTEE

Mr. HENNINGS. Mr. President, from the Committee on Rules and Administration, I report an original resolution, authorizing the Sergeant at Arms of the Senate to employ not to exceed six additional laborers, and I submit a report (No. 235) thereon.

The PRESIDENT pro tempore. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 113) was placed on the calendar, as follows:

Resolved, That during the period ending on June 30, 1959, or the date of enactment of the Legislative Appropriation Act for the fiscal year 1960, whichever is later, the Sergeant at Arms of the Senate is authorized to employ not to exceed 6 additional laborers at a rate of basic compensation of $1,740 per annum each payable from the contingent fund of the Senate.

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.

BILLS INTRODUCED

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

By Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia):

S. 1826. A bill to amend the Federal-Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year, and for other purposes; to the Committee on Public Works.

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

By Mr. HUMPHREY:

S. 1827. A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States, and for other purposes; to the Committee on Foreign Relations.

By Mr. EASTLAND:

S. 1828. A bill for the relief of Kum Hung Seeto and Kum Wo Seeto; and

S. 1829. A bill for the relief of Herman Luchner; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 1830. A bill to amend section 164(b) of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. CAPEHART:

S. 1831. A bill for the relief of Nicholaos Stamatios Rellias; and

S. 1832. A bill for the relief of Milorad Jovanovic; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 1833. A bill authorizing the establishment of a national historic site at Bent's Old Fort near La Junta, Colo.; to the Committee on Interior and Insular Affairs.

S. 1834. A bill to amend the National Defense Education Act of 1958 to provide assistance for strengthening the teaching of English in Puerto Rico; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. ALLOTT when he introduced the above bills, which appear under separate headings.)

RESOLUTION

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 113) authorizing the Sergeant at Arms of the Senate to employ not to exceed six additional laborers, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HENNINGS, which appears under the heading "Reports of Committees.")

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958

Mr. RANDOLPH. Mr. President, on behalf of myself and my colleague, the able junior Senator from West Virginia [Mr. BYRD], I introduce, for appropriate reference, a bill to amend the Federal-Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year and for other purposes.

This bill proposes to amend the Federal-Aid Highway Acts in three respects:

First. It extends the approval of the estimate of cost of completing the Interstate System for an additional year or through fiscal year 1962.

Second. It increases the authorization for appropriations for fiscal year 1962 for the Interstate System from $2.2 billion to $2.5 billion.

Third. It suspends the operation of section 209(g) of the Highway Revenue Act of 1956 to permit apportionment of

funds to the States for fiscal years 1961 and 1962, and authorizes the use of funds advanced to the highway trust fund under the provisions of section 209(d) to cover any deficits in the trust fund through fiscal year 1962.

During the past few months, many people all over our country have become alarmed over the possible deficit that may occur in the highway trust fund at the end of fiscal year 1960. The entire future of the national highway program is imperiled. Curtailment of the highway program will have a very serious impact on many segments of our economy. This is true in the State of West Virginia, where a substantial road program will create needed employment.

Highway departments in many States will have to reduce their personnel. Contractors, suppliers of equipment and materials, and their employees will be seriously affected if this program is interrupted or delayed.

The Subcommittee on Public Roads of the Committee on Public Works, of which I am a member, has held hearings for 2 days during this session of Congress on the status of the Federal-aid highway program, the highway trust fund, and the problems encountered. Additional hearings are anticipated in the near future.

On December 31, 1958, there was a balance of $526 million in the highway trust fund. Expenditures are expected to exceed revenues during each of the fiscal years 1959 and 1960, which will use up the surplus and create a deficit of $241 million in the trust fund by the end of fiscal year 1960 unless additional revenues are provided. The deficit would reach $1,059 million at the end of fiscal year 1961, and $2,166 million by the end of 1962, assuming the authorized apportionments are made.

The Federal Highway Administrator advised the committee that because of the provisions of section 209(g) of the Highway Revenue Act of 1956, it will be necessary to forego completely any apportionment of interstate funds during calendar year 1959 for the fiscal year 1961, and the apportionment during calendar year 1960 for fiscal year 1962 would only amount to about $500 million. The authorization for 1961 is $2.5 billion, and for 1962 it is $2.2 billion. After fiscal year 1962, interstate apportionments would amount to about $1.7 billion or $1.8 billion annually. Apportionment of funds for the regular Federal-aid systems would not be affected as they get first call on the funds in the highway trust fund.

To provide additional funds for financing the highway program without waiving the provisions of section 209(g), the President recommended in his budget message for 1960, that motor fuel taxes be temporarily increased by 1.5 cents per gallon effective July 1, 1959, and remain in effect through fiscal year 1964. He also recommended that funds for the forest and public lands highways be obtained from the trust fund instead of from the general fund, a new tax on jet fuel, and that the tax on aviation gasoline now going into the trust fund, go into the general fund. The Secretary of the Treasury transmitted proposed legislation to Congress on April 3, 1959, to carry out the President's recommendations.

There has been general widespread opposition to any increase in the Federal gasoline tax at this time. The committee has been advised that 34 State Governors have gone on record as opposing any increase in the Federal gasoline tax. Resolutions opposing such an increase were offered in 16 States and have been adopted in 10, Alaska, Arkansas, Delaware, Maryland, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, and Texas.

Two States have increased gasoline taxes—New York from 4 to 6 cents per gallon, and West Virginia from 6 to 7 cents. Still pending are proposed increases in 7 States.

I have considered the various alternatives that are possible to solve the difficult problem we are now facing.

I do not believe that this is the proper time to increase the taxes, to provide for bond financing, or to allocate additional Federal excise taxes to the highway trust fund.

In January 1961, the Secretary of Commerce is to submit to Congress a report on a study of the cost of highways to various classes of users, and the benefits to be derived from the highway systems by both users and nonusers. At the same time a second detailed estimate of cost of completing the Interstate System will be available, and also some of the results of the Illinois road test now being made. When these reports are available, we will be in a much better position to reach a satisfactory solution that would permit the highway program to proceed on a more permanent basis.

The Federal-Aid Highway Act of 1958 approved the estimate of cost of completing the Interstate System in each State, published in House Document No. 300, 85th Congress, as a basis for making the apportionment of the funds authorized for the Interstate System for fiscal year 1960. Public Law 899, 85th Congress extended the approval to cover fiscal year 1961.

The bill I have introduced would extend the approval of the estimate of cost to cover fiscal year 1962. I believe this is essential as no apportionment can be made for 1962 until there is a basis for such apportionment. That apportionment would normally be made in July 1960. The next cost estimate will be submitted in January 1961, so we will not have a revised cost estimate available when the time for making the 1962 apportionment arrives.

The Federal-Aid Highway Act of 1958 increased the authorizations for appropriations for fiscal years 1960 and 1961 from $2.2 to $2.5 billion, but authorized no increases beyond 1961. I believe that the appropriations for 1962 should be at least equal to those of 1960 and 1961. This increased authorization would prevent any dropoff, or curtailment of the highway program after fiscal year 1961, and permit States to continue their planning on an even schedule.

The Federal-Aid Highway Act of 1958 authorized the apportionment of all funds authorized for fiscal years 1959 and 1960 to the States, notwithstanding the provisions of section 209(g) of the 1956 act.

A similar procedure appears to be the most desirable course to follow at this time, with an added provision that would permit the use of appropriation of repayable advances to the highway trust fund under the provisions of section 209(d) to defray expenditures made by the reason of such apportionment.

This procedure would permit the apportionment of $2.5 billion for each of fiscal years 1961 and 1962 and prevent curtailment of the program.

There are now 7 States using 1958 interstate funds which would not be in any trouble if no apportionments are made for fiscal years 1961 and 1962; 33 States including West Virginia are now using 1959 funds, most of which will be used up by the end of the fiscal year; and 9 States are now utilizing fiscal year 1960 funds. These nine States are the ones that would be seriously affected if apportionments for succeeding years are not made. Several States are in a position to use interstate funds at a faster rate than now provided. One State is now expediting improvement of the Interstate System by means of advance construction projects prior to apportionment of funds, and several other States are considering similar action.

We have embarked on a vast program of improving the highways of our Nation. We have made commitments to the States which we are under obligation to carry out. Many thousands of employees of contractors and suppliers of equipment and material are depending on this program for their livelihood. Large amounts of highway rights-of-way have been purchased and people moved from their homes to make way for new highways. To curtail the program at this time would be uneconomical and a serious setback to the ultimate completion of our highway systems in which every citizen of our country has a high stake.

I ask unanimous consent that the bill lie on the desk until the close of business May 5, 1959, for further cosponsorship.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 1826) to amend the Federal Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year, and for other purposes, introduced by Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Federal-Aid Highway Act of 1958 (72 Stat. 94), as amended, is hereby further amended by striking out "the fiscal year

ending June 30, 1960" and inserting in lieu thereof the following: "the fiscal years ending June 30, 1960, June 30, 1961, and June 30, 1962."

SEC. 2. That section 108(b) of the Federal-Aid Highway Act of 1956 is amended by striking out "the additional sum of $2,200,000,000 for the fiscal year ending June 30, 1962", and inserting in lieu thereof the following: "the additional sum of $2,500,000,000 for the fiscal year ending June 30, 1962."

SEC. 3. Notwithstanding the provisions of section 209(g) of the Act approved June 29, 1956 (70 Stat. 400), the Secretary of Commerce is authorized and directed to apportion among the several States in the manner provided by law, all of the funds authorized for the fiscal years ending June 30, 1961, and June 30, 1962, for the National System of Interstate and Defense Highways and the Federal-aid primary and secondary highway systems, including extensions thereof within urban areas. To the extent that amounts in the Highway Trust Fund are insufficient for such purposes, additional funds appropriated to such Trust Fund as repayable advances, pursuant to the provisions of section 209(d) of the Highway Revenue Act of 1956 (70 Stat. 399), may be used to defray expenditures resulting from apportionment to the States of the amount authorized to be appropriated for the fiscal years ending June 30, 1961, and June 30, 1962, and prior fiscal years, for the Interstate System and the Federal-aid primary and secondary highway systems, including extensions thereof within urban areas.

NATIONAL HISTORIC SITE AT BENT'S OLD FORT NEAR LA JUNTA, COLO.

Mr. ALLOTT. Mr. President, the exciting real-life saga that was the winning of the West is punctuated vividly by various sites and locations of historic importance. Indeed, the excitement of those days is being portrayed right now in a series of articles in Life magazine which I commend to my colleagues.

Unfortunately, Mr. President, the ravages of time and the shift of population has desolated many of these spots, some beyond reconstruction. It is all too infrequent that a part of the old West—so much a part of those who live in my State—can be reclaimed from the past; be refurbished and maintained for those of every age to see, study, and enjoy.

Mr. President, I introduce, for appropriate reference, a bill which provides that such a site be protected from disappearing. I refer to Bent's Old Fort site near La Junta, Colo. This old fort played a dramatic role in our American history as part of the old Santa Fe Trail. It stands today in ruins, unprotected from the pounding of time unless we act.

Recently, the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments, in a report to the Secretary, recommended that this site be classified as having exceptional value in illustrating and commemorating this important part of our historical heritage.

Bent's Old Fort was the site of the first trading post established in that part of the country. Built by Charles and William Bent in 1832, it served as an important stopping point for trappers and traders between the Missouri River and Santa Fe. It served as an information center and a rallying point for the surrounding settlers in times of trouble.

The bill would establish Bent's Old Fort as a national historic site to be set aside as a public national memorial to commemorate its significant part in the opening of the West.

The bill would further authorize the Secretary of the Interior to acquire, in behalf of the United States, the site and buildings as he sees necessary for the restoration of the old fort.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1833) authorizing the establishment of a national historic site at Bent's Old Fort near La Junta, Colo., introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

TEACHING OF ENGLISH IN PUERTO RICO

Mr. ALLOTT. Mr. President, last year when we enacted into law the National Defense Education Act, we included two major programs to strengthen our efforts in the public educational system for the instruction of foreign languages. For exactly the same reasons that the teaching of other foreign languages is important here in this country, instruction in the English language is critically important in Puerto Rico.

The native language of Puerto Rico is Spanish. The majority of the students who enter the public schools know no English. They will have to learn English in the English classes. The language of instruction for all subjects, except English, is Spanish. English is taught as a special subject from the first grade to the twelfth. The teaching of English is done almost entirely by Puerto Ricans, who are nonnative speakers of English. The training they need is in the teaching of English as a foreign, not a native, language. The methodology employed in teaching is also that of teaching a foreign, rather than a native, language. All the foregoing justifies the inclusion of English in Puerto Rico among the "foreign languages" provided for by the act.

It is of utmost importance to national defense that Puerto Ricans be able to speak, understand, read, and write the English language. Puerto Rican young men are all subject to the draft and serve in the U.S. Armed Forces. Puerto Ricans already know natively one of the world's most important languages, Spanish. Making them competent in English would be of tremendous strategic value. Puerto Rico is in a key position with reference to Latin America, with its linguistic and cultural link to the vast majority of the nations of the Western Hemisphere, as well as to Spain on the other side of the Atlantic.

The main purpose of title III is to strengthen instruction, and three-fourths of the English teachers in the elementary and secondary schools in Puerto Rico are inadequately prepared, both in academic preparation and in the English language itself. Auditory aids for the classroom to train students' ears and to be a model for their tongues is a vital need, particularly since the teachers are not native speakers of English. The problem of supervision of such teachers is a tremendous one. Title III of the act thus offers just the kind of help that the teaching of English in Puerto Rico needs.

Title VI, part B, is also designed to help Puerto Rico's situation, as it attacks the problem at its roots, viz, the shortage of good language teachers. Through the setting up of language institutes, it seeks better teachers for the elementary and secondary student. Our basic problem is to train the teachers who are now teaching in the new teaching methods and the new instructional materials for the teaching of English as a second language, and to increase their command of the English language. This title makes it possible for institutes for such training to be set up and gives tremendous incentive for both present and prospective teachers to attend.

Mr. President, this is not the only problem which has developed in the early operation of the National Defense Education Act programs. There are a number of others which have come to my attention. For the most part I believe corrections of this law should await a complete trial so that in revising the law, we can eliminate as many problems as possible without creating new ones. However, it is clear that if Puerto Rico is to gain any advantage from titles 3 and 6 of the National Defense Education Act, we must, as soon as possible, correct this oversight.

I introduce, for appropriate reference, a bill to amend the National Defense Education Act of 1958, which, if enacted, will clear up this matter. I ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 1834) to amend the National Defense Education Act of 1958 to provide assistance for strengthening the teaching of English in Puerto Rico, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective July 1, 1959, section 103 of the National Defense Education Act of 1958 (Public Law 85-864) is amended by adding at the end thereof the following new subsection:

"(2) For purposes of title III and for purposes of training, under part B of title VI, individuals engaged or preparing to engage in teaching, or supervising or training teachers, in Puerto Rico, the English language shall be regarded as a modern foreign language in Puerto Rico."

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the

bill (S. 895) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, which were ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

Mr. YOUNG of North Dakota. Mr. President, on April 21, 1959, on behalf of myself and my colleague, the senior Senator from North Dakota [Mr. LANGER], I introduced the bill (S. 1760) to provide that the United States shall return to the former owners oil and gas rights in certain lands acquired for the Garrison Dam and Reservoir project, North Dakota, and it was referred to the Committee on Public Works. A similar bill, introduced last year, was referred to the Committee on Interior and Insular Affairs.

I have consulted with the chairman of the Committee on Public Works, the distinguished Senator from New Mexico [Mr. CHAVEZ], and he is agreeable to having the bill referred now to the Committee on Interior and Insular Affairs. Therefore, I ask unanimous consent that the Committee on Public Works be discharged from the further consideration of the bill, and that it be referred to the Committee on Interior and Insular Affairs.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

THE FREEDOM COMMISSION AND FREEDOM ACADEMY—ADDITIONAL COSPONSOR OF BILL

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the bill (S. 1689) to create the Freedom Commission for the development of the science of counteraction to the world Communist conspiracy and for the training and development of leaders in a total political war, introduced by the Senator from South Dakota [Mr. MUNDT] on behalf of himself and the Senator from Illinois [Mr. DOUGLAS], on April 15, 1959, at the next printing of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REIMBURSEMENT OF STATES FOR CERTAIN FREE AND TOLL ROADS IN NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—ADDITIONAL COSPONSOR OF BILL

Mr. BUSH. Mr. President, on April 17, 1959, on behalf of myself and other Senators, I introduced the bill (S. 1714) to provide equitable reimbursement to States for mileage taken into the national system of defense and interstate highways. My colleague, the able junior Senator from Connecticut [Mr. DODD], has advised me he desires to be a cosponsor of that bill. I ask unanimous consent that his name may appear as a cosponsor when the bill is next printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON EXECUTIVE PRIVILEGE BY CONSTITUTIONAL RIGHTS SUBCOMMITTEE

Mr. HENNINGS. Mr. President, I wish to announce, as chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, that the subcommittee has scheduled a public hearing on the subject of executive privilege on Tuesday, May 5, 1959, at 10:30 a.m., in room 318—the caucus room—of the Old Senate Office Building, Washington, D.C.

The subcommittee will hear representatives of the International Cooperation Administration, who will testify regarding the citation of the so-called executive privilege by officials of the International Cooperation Administration as authority for withholding certain types of information from the General Accounting Office. Previously the subcommittee heard testimony from Mr. Robert Keller, General Counsel of the General Accounting Office, regarding this subject, and now is affording the Director of the International Cooperation Administration the opportunity to present his views.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

FISH SANCTUARY PROPOSED FOR IDAHO'S SALMON RIVER

Mr. NEUBERGER. Mr. President, some of the leading conservationists in the Pacific Northwest have urged upon some of us in the Senate the introduction of legislation to create a fish sanctuary in the Salmon River watershed, where over 60 percent of the spring Chinook salmon runs of the Columbia Basin are spawned.

Mr. Rollin E. Bowles, leader in the Izaak Walton League and member of the Oregon State Game Commission, is the most recent to visit me on such a mission.

I favor wholeheartedly the protection of Columbia River migratory fish. I have opposed the Nez Perce Dam because it would blockade the Salmon to fish passage. I fear that our salmon industry and sports fishing could be destroyed if the Salmon River is lost as a spawning area.

But, Mr. President, the Salmon River watershed is wholly within the State of Idaho—100 percent of it. Therefore, I think it only proper that the establishment of a fish sanctuary on the Salmon River be sponsored by one of the distinguished Senators from Idaho, Mr. DWORSHAK or Mr. CHURCH. I would be glad to serve as a cosponsor under their able guidance.

But when a river is entirely within the boundaries of one particular State, I do not think that legislation as sweeping and as drastic as establishing a fish sanctuary on that river's watershed should be sponsored in chief by any Senator except one helping to represent that State.

Should either Senator CHURCH or Senator DWORSHAK decide to offer a resolution creating a salmon sanctuary on the Salmon River, I would consider it a privilege to act as one of the cosponsors of the measure.

FORT BOWIE, ARIZ.

Mr. GOLDWATER. Mr. President, early in this session I introduced a bill, S. 939, which would establish Fort Bowie in Arizona as a national historic site. The interest in maintaining this nearly 100-year-old fort as a monument to our western growth was evident long before this bill was introduced. However, recently much has been written about the fort and its history, and one of the best and most colorful articles was written by Mrs. Opie Rundle Burgess, of Warren, Ariz., and published in the March 10 and 11 issues of the Bisbee Daily Review. Because of the historical value of this two-part article, I ask unanimous consent to have it printed in the RECORD at this point.

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

[From the Bisbee (Ariz.) Daily Review, Mar. 10, 1959]

FORT BOWIE'S COLORFUL PAST
(By Opie Rundle Burgess)

Recently several questions have been asked pertaining to Fort Bowie. Where is the old fort? Why should it be made a national monument? I have visited Fort Bowie, read its history, knew the late Neil Erickson, who was a soldier at the fort, under the command of Gen. George Crook, also heard stories from Mrs. Wickham, who lived there during Geronimo's days and heard stories from George Dunn, whose father was a soldier at the fort, and while scouting for Indians found ore in the Bisbee Canyon.

I have tried to answer these two questions in story form.

Peace, silence, and legend hovers over old Fort Bowie, where long ago war clouds blemished the blueness of the sky, the whir of arrows shattered the gentle evening breeze, and the solitude of mountain and valley broken by smothered screams of travelers, journeying through Apacheland.

Out in southeastern Arizona, nestled in one of nature's cradles in the extreme northern range of the Chiricahua Mountains, lie the ruins of Fort Bowie in its solitary surroundings.

When the Gadsden Purchase was ratified in 1854, the U.S. Government received not only miles upon miles of worthless land, as it seemed in those days, but with the land went a band of warring Chiricahua Apaches, that the Government didn't know how to handle.

Down through the years without the protecting arm of the Government, this most historical landmark has been vandalized by man, scorched by the desert sun, and beaten by wind and storm while waiting for recognition of its colorful role of 20 years' warring against the Apaches, and the 4 tragic years of the Civil War, when our Government fought for its destiny, trying to hold the Union as one, and not as a house divided.

In July 1862, while the heat of the desert became unbearable, and the ravaging of

Apache warfare sizzled with extreme violence, the first troop from California, under the command of Capt. Thomas Roberts, on their way to the Rio Grande during the beginning of the Civil War, was viciously attacked by a large band of Indians at Apache Pass. After that fight, the fort was established, and named after the colonel of the 5th Infantry, George W. Bowie.

No more lonely location could have been chosen for the fort, but the reasons were threefold. First, it served as a key outpost to the U.S. Army's grueling campaign against the Chiricahua Apache Indians.

Second, the fort would guard the springs, that lifesaving fluid so precious to travelers, military, and their animals. The soldiers would also escort mail carriers, stagecoaches, and wagon supplies through Apache Pass. Third, the fort's geographical position during the Civil War served as a vital, shorter route from California to the Rio Grande. Without this fort, all communications and troop movement would have been jeopardized as long as the Apache Indians held undisputed possession of Apache Pass.

The fort was built in 2½ weeks by the soldiers of the 5th Infantry, California volunteers. At first, most of the men lived in tents, others sought refuge in caves, and when it rained the water poured through the ground like a sieve. The fort was isolated. The food bad, and sickness prevailed. Under such conditions, officers and men were transferred frequently, as a nerve-wracking vigilance was always necessary, for their enemy was a band of sly savages. There were rarely more than 100 men at the fort, and often as few as 50, while the Apaches, under the leadership of Cochise, and Mangas Coloradas, numbered close to 500. With such a small force at the fort they could do little more than to protect the springs and send escort with supply trains and travelers through Apache Pass.

Shortly after the first detachment of cavalry was sent to the fort, Apaches, with their master tactics and slyness, managed to divert the attention of the herd guard and made off with the entire herd of cavalry horses.

Complaints of the conditions of the fort were sent to Colonel Carleton, who authorized the construction of a new fort. This fort was laid out on the general plan of all military posts. All buildings were built forming a large square facing the parade ground where each morning reveille broke the stillness of the hills. Later, the clear call of a bugle brought all to attention around the flagpole, where the Stars and Stripes, the symbolic life of the fort and the Union, proudly waved in that far removed lonely spot, but it gave assurance to those soldiers that they, too, were fighting for a cause. It's here today that we can see the remnants of a tragic American drama.

We, who are so proud of Arizona realize that this enchanted land is crammed with the marvels of God's handiwork. There are castles built in the fastness of stone cliffs that lure historians to try and knit together the broken threads of a lost people. Sunken villages of prehistoric Indians have become a playground for archeologists. The Colorado River still gnaws at the earth's sandy sides fashioning deeper and more fantastic canyons, and on mountain tops, eerie, peculiar turrets and domes left by force of volcanism and erosion. All these attract tourists to our State. Yet, solemn and still, Fort Bowie remains an orphaned child.

After the Civil War, and years of a gruelling campaign against the warring Apaches, it was no longer necessary to maintain troops at Arizona's frontier. It was then when Fort Bowie was abandoned.

So on down through the years, the silent tenantless barracks have fallen to ruins. The face of the parade ground bearded with cactus, and tumble weed. The clear call of a bugle no longer breaks the silence of a new-dawning day, but in its place, the sweet trill of a mocking bird, and the buzz of insects accentuate the fort's loneliness. All day long the sun and shadows play among the ruins, until twilight takes over after the sun slips silently behind the hills, throwing its gay colors of farewell to the friendly clouds. Then night closes over the land and hangs its tiny lanterns, the stars, to keep watch over the old fort, while the cool mountain breeze caresses the silent, adobe walls and softly hums—your work is done; your rest well earned; slumber on.

But recently progressive Arizona is not willing that this historic landmark should be entirely reclaimed by the desert. A bill to establish Fort Bowie as a National Monument was introduced to Congress by our U.S. Senator. Citizens and the National Advisory Board have awakened to the urgent necessity of the protection for this outstanding military post, for probably no outfit in the Army of frontier days can boast of a history more valuable, or typical of the American soldier's varied career, than that of Fort Bowie.

The reasons for making this fort a National Monument are many. Fort Bowie is like a priceless history book, old, yet each faded and crumpled page tells the story of the tenacity and courage of both officers and men who were not afraid to face danger and untold hardship, to fight a cruel, crafty enemy, so others to follow, might find Arizona a land of freedom and plenty.

The most outstanding corps of military officers in the annals of American history, and their heroic deeds are found throughout the story, such men as Lt. Gen. Phil Sheridan, who came from Washington, D.C., to inspect the soldiers at Fort Bowie before starting their gruelling campaign against Geronimo and his renegades, Gen. Leonard Wood, Assistant Surgeon of the U.S. Army, Gen. George Crook, Gen. Nelson Miles, Gen. O. O. Howard, all checked in and out of the famous fort. Others under their command were Captain Crawford, who led the first campaign, trailing the Apaches far into Mexico, and who was killed by Mexican troopers while doing all in his power to help them against the Apaches. Captain Crawford's body was brought back to Fort Bowie and given full military honors for his heroic sacrifice. General Crook, with military escort, then took the body back to Crawford's home in Nebraska. Capt. H. W. Lawton was chosen as leader of the second campaign under General Miles. He and General Wood were the only 2 out of 90 picked men who finished the 1,500-mile trek. Climbing the highest peaks, then descending to the deepest canyons through the heat of a desert's sun in June and July. Going days without water or cooked food, enduring hardships that most men could not take. And after this endurance trip, and finding Geronimo's camp in the Sierra Madres in Mexico, Lieutenant Gatewood alone, and without firearms, entered Geronimo's camp to ask the Apaches to surrender, which was recorded as one of the greatest of heroic feats.

And as the pages of this great history book are turned we read such names as Cochise, Mangas Coloradas, Geronimo, Natchez, Nana, and Chato. True, they were the enemy, yet they were leaders, every one of them, and played an important role in the fort's great drama. We also read of Lieutenant Rucker and Sgt. Jack Dunn while chasing Apaches, and looking for fresh drinking water entered a canyon and by accident, Jack Dunn found what most men would desert home and country for, earth's greatest treasures, her precious metals. But for love of their flag and loyalty to their country, the two men turned away from the beckoning hand of Midas and returned to Fort Bowie. The two soldiers in time intended to return to their secret canyon, but death cheated Lieutenant Rucker from his share of riches while trying to save one of his men in a flash flood. Both men were drowned. Jack Dunn was cheated of his bonanza by the betrayal of a prospector. Years later this canyon was named Bisbee, and for 78 years has ranked as one of the richest copper camps in the world. Fort Bowie's register bears the name of a great photographer, C. S. Fly, whose Indian pictures are well guarded in the archives of our National Capital.

These men left a heritage that Arizona is proud of today, and to have future generations know their story, and see the place where the story was made, and to show our appreciation and gratitude toward these heroic men, the flag they so valiantly fought for should wave over Fort Bowie, and over the graves of the men who gave their lives, to clear the trail for the Union's last frontier, Arizona.

Ironical as it may seem, the ruins of Fort Bowie stand as a monument to the warring Apache Indians. The Chiricahua Mountains was their home. The vast expanse of valley their hunting ground. For several generations they successfully defended their beloved land from the Spaniards, the Mexicans, and the Americans, but finally succumbed, only when their own kindred joined forces against them. In less than 75 years, the descendants of those warring Apaches have become a peaceful, capable, trustworthy, and intelligent race of people, and who are recognized as among the best cattlemen, raising the finest Hereford range beef in the West. And cattlemen from Western States make a yearly trip at roundup time, to buy Apache cattle.

In thinking of Fort Bowie's colorful day we can close our eyes and visualize a great stage set alternately with high rugged mountains wooded with lofty pines, and see the valley below dotted with cactus, mesquite, and catclaw, and the silent drawn curtain reveals the old fort and the part it played in Arizona's history. On this stage was enacted a pageant of deep drama, as colorful, and as thrilling as that produced by any State, for that campaign against the vicious Apaches ranks as the most arduous of frontier military history, and for the brilliant work of her officers and the courage of her men, Fort Bowie once received the spotlight, but the Nation's applause soon faded with the shadows of the night.

[From the Bisbee (Ariz.) Daily Review, Mar. 11, 1959]

FORT BOWIE'S COLORFUL PAST

(By Opie Rundle Burgess)

The opening scene of Fort Bowie's great drama shows that darkness had settled over a tranquil wilderness of desert beauty. Brilliant stars studded the dark sky and blinked down upon a lonely Sibly tent, glowing from the light of a hanging lantern. Two great actors, leaders both of them, made their appearance upon the stage. Lieutenant Bascom from West Point, a stranger in a strange land made his appearance from the east, followed by 60 men clad in neat well-fittted uniforms of blue, representing men of a mighty nation. Cochise, the greatest of Apache chiefs made his appearance from the west, followed by a ragged group in their native garb. Their frowsy hair hung to their shoulders, and bound back from their foreheads with a soiled bandanna. They too, represented a mighty tribe. The two leaders met with no cordial or friendly handshake. Lieutenant Bascom under a white flag of truce, had summoned Cochise and his men for council. Bascom eyed Cochise with disdain and distrust. The great chief felt the chill of the white man's cold gray eyes, but being an Apache, managed to conceal the suspicion in his own eyes, as he did not want trouble with the white man. Lieutenant Bascom beckoned Cochise and his men to enter the tent.

The issue of that conference was a small one. A boy and some cattle had been stolen, and Cochise repeated their innocence, and even offered to help find the child. Lieutenant Bascom looked upon that ragged group with intolerance and impatience, and snapped out two words, "Arrest them."

Those two words spoken in that Sibly tent out on a lonely Arizona desert burst like a bomb and touched off a fiendish war that lasted 24 years. Cochise heard the words of the white man, and aflame with hatred, and outraged by the violation of the sacred custom of council slipped to the rear of the tent, whipped out his knife and slashed the canvas side of the tent while his warriors struggled against the soldiers. The great chief, and all but three of his men escaped.

The stillness of that Arizona night was shattered by blood curdling savage outcries. And the thud, thud of Apache ponies making their flight across the great stage as night's blackest curtain fell on a terrified land. In the distance, a lone coyote emitted a mournful wail, an omen of tragedy and death.

A curtain of misty rays of a new-risen sun lightened the scene of the second act, and shows a lone Apache high on a rock facing the great Chiricahua Mountains sending up a smoke signal. Mangas Coloradas and his warriors, like eagles resting on a rocky peak read the signal. It was a message that Cochise was on the warpath. A message that meant torture and death to all who crossed the Apache trail.

The time was 1861, and on the other side of the great stage a troop of California volunteers were on a march to the Rio Grande. They had traveled days without water, but as they neared the only place where water was found, Cochise, Managas Coloradas and 300 warriors awaited the unsuspecting soldiers. The Apaches held their fire until the troops were well into the perpendicular cliffs of Apache Pass before they opened fire with bullets and arrows. The soldiers fought bravely, but of no avail. They withdrew and Captain Roberts reformed his command. Again they advanced, but the Apaches on the hills above the pass, hiding behind rocks, trees, and clumps of bear grass drove the soldiers back. It was then when Captain Roberts played his trump card. He mounted two howitzers on wagons and advanced. Bursting artillery shells, soon scattered the bewildered, yelling Apaches into the hills, and the soldiers took possession of the springs. Many years later an Apache told Captain Roberts they never would have gotten through the pass, if the soldiers hadn't fired wagons at them.

The last part of the scene shows the building of Fort Bowie, which was built by the 5th Infantry California volunteers, and it was their lot to remain at the fort to guard the springs, to escort travelers, and wagon trains through the pass. The building of the fort was an essential factor during the Civil War, as all Government soldiers were withdrawn, leaving the Arizona frontier without military protection.

Twelve years had elapsed since the Apache fight. Cochise was now an old man, and had made peace with the white man, but Natchez, his son, and Geronimo fought on. For 2 years Cochise kept his peace, and as the curtain lowers, the soldiers at Fort Bowie looked toward the west as the setting sun placed a golden halo above the mountain tops, and far off in the distance they watched a tenuous ribbon of black smoke unfurl above a jutting cliff of Cochise Stronghold. A silent, strange requiem of savages. Cochise, their great chief was dead.

Only a faint light streak on the eastern sky signaled the approaching day of the last act of Arizona's deep historical drama. A time of coming events that would sprinkle golden glowing blessings over the land.

A dust cloud far down the eastern corner of the great stage announced the coming of homeseekers, farmers, cattlemen, and prospectors. All following the beckoning rays of a promised land, Arizona, but when the emigrants reached the border, they found it blocked by a band of merciless, warring Apaches.

It was then, in 1885, when the eyes of the Government, and all eyes of the Union were focused on Fort Bowie, which became the strategic focal point of this great drama. The soldiers of Fort Bowie fought strange and weird battles against savages who did not come out in the open and fight, but ambushed, and secreted themselves high on the mountains with improved guns and plenty of ammunition. The hardships and physical sufferings of both officers and men of this western campaign to free Arizona from a dreaded menace is unbelievable, yet the soldiers of Fort Bowie knew their paramount duty was to get Geronimo, leader of the hostiles, to surrender unconditionally.

General Crook took the leading role of the first campaign. Six months the soldiers under Captain Crawford trailed the Apaches. Their days were padded with hardships, tragedy, discouragement, and later the pressed resignation of their beloved leader, General Crook, brought on by disgrunted officers in Washington, D.C., when the fulfillment of their mission was successful to the point of having Geronimo surrender, but on the night before they reached Fort Bowie, Geronimo obtained "Tiswin," a fiery corn drink, and breaking his promise to General Crook, fled back to the hills, taking a small band of Apaches with him.

The scene does not change, but rage and the tempo of decision, "Get Geronimo, dead or alive," became the urgent demand of the Government. General Nelson Miles then takes the leading part of this final, and most important, campaign that brought an end to Apache warfare.

The clear call of Boots and Saddles resounded over the parade ground and echoed back from the hills. The jingling of spurs and the creaking of leather were heard as 90 picked men and their officers mounted, and waited for the command to march, while over their heads the American flag snapped a salute of Godspeed, and good luck.

The Government sent the best they had in men and supplies. An added 5,000 soldiers patrolled the desert from Arizona to Mexico. General Wood, Assistant Surgeon of the United States Army, and Captain Lawton with their men, trailed Geronimo's bloody trail. Words have failed historians in describing the torture and other hardships the men endured while marching 1,500 miles through the heat of the summer, over precipitous mountains, down deep canyons, and over a desert filled with cactus and rattlesnakes.

After 5 months of marching to the point of exhaustion, Geronimo's camp was reached in the Sierra Madre Mountains in Mexico. This time he saw that there was no escape for him, so surrendered to Lieutenant Gatewood, who was ordered by Geronimo to come to his camp alone and unarmed. Which he did. Geronimo greeted Gatewood as a long-lost friend and begged for his life, also the lives of his followers. Geronimo, who had never had mercy on anyone, now begged for mercy.

On September 8, 1886, the soul-stirring scene of Arizona's great pageant for freedom, peace, and prosperity was ushered in by the brilliant rays of sunshine, touching not only the mountains and valleys, but sending rays of hope and happiness into the hearts of loved ones left behind at Fort Bowie, when a courier arrived at the fort with a message that General Miles, officers, soldiers, and their booty of war, the hostile Apaches, would arrive later that day.

The sun had slipped far toward the western hills when the roll of drums and the sweet call of a bugle announced the arrival of the returning soldiers. That arrival was spectacular, dramatic, and breathtaking. Geronimo sat erect on his horse and rode beside General Miles, who had met them at Skeleton Canyon. A strange, pitiful, dirty group of Apaches, most of them women and children, trailed behind them. Then came General Wood and Captain Lawton, the only 2 of the original 90 picked men who trailed Geronimo and his small band from Fort Bowie back to Fort Bowie. When these two men started on that campaign they were sturdy in muscle, stalwart in body, and vibrant with the prime of life. They returned bent, thin, weary, and worn, but their haggard faces lightened with a sparkle of joy as they were cheered by the spectators, for they knew they had fulfilled their mission.

"Attention," came the command. Everything stopped. For a moment on that great stage not a sound broke the silence until the soiled blanket about Geronimo's shoulders fell to the ground as he rose in his stirrups, and gazed across the valley toward Bonita Canyon, his stronghold. All eyes were upon him. The clicking of triggers from every soldier's gun broke the deathly silence. Geronimo then dismounted and walked slowly toward General Miles, and like a blade of a sharp sword, General Miles slashed cutting words of Geronimo's deceit a treachery. "Geronimo, you have lied. You have murdered. You have stolen cattle from the Americans and the Mexicans, and you have broken every promise that Cochise made to the white man." Those words severed the hostiles from Arizona forever.

Geronimo stood before the white man, a defeated warrior. His reign was over. The minutes that followed were filled with strained tension until the wagons rolled onto the parade ground, and soon were filled with Apaches. As they left, the 4th Cavalry Band played "Auld Lang Syne, Should auld acquaintance be forgot." The loud jeering and laughing from the soldiers and spectators was not appreciated by Geronimo.

The long memorable day signed off with a gorgeous sunset, splashing the sky with blazing colors of gold, red, and orange, and against that glorious background, the Apaches rode away to their new home in Florida.

The twilight soon erased the color from the sky, and slowly night drew her curtain over a happy land as the evening breeze whispered, "We salute you, brave soldiers of Fort Bowie."

PARK SERVICE ADVISORY BOARD APPROVES EARLY ACTION ON OREGON DUNES SEASHORE AREA

Mr. NEUBERGER. Mr. President, announcement was made yesterday of action by the Advisory Board on National Parks for inclusion of eight new areas in the National Park System. One of these, happily, is the Oregon Dunes National Seashore Area. I am extremely pleased and heartened by the decision of the National Park Advisory Board, because I have introduced a bill—S. 1526—to accomplish that purpose.

The Board's decision affirms the recreation value of the unique Oregon coastal dunes. This should demonstrate to the people of my State the widespread support in the Nation for establishment of this great seacoast recreation area under our National Park Service. Their decision makes more evident than ever that those working for the proposed national seashore area are acting in the best interests of Oregon as a tourist center. It is my hope that we can enact this legislation into law during the 86th Con-

gress. Oregon's seacoast would benefit vastly in travel potential by its passage.

Also, I am pleased by the statements in support of the Oregon dunes seashore area by the distinguished Oregon editor, Mr. William M. Tugman, who publishes the Port Umpqua Courier at Reedsport. Mr. Tugman was editor of the Eugene Register-Guard for 25 years, and has received numerous awards and widespread recognition for his newspaper work. Mr. Tugman is an effective spokesman for establishment of the Oregon Dunes National Seashore Area, and I ask consent to include in the RECORD with my remarks, a news story from the Eugene Register-Guard of April 25, 1959, with his views and comments on the valuable park development proposal. I also ask consent to include an Associated Press news story about action of the Park Service's Advisory Board, and a Department of Interior press release on the same subject.

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

COAST PUBLISHER BACKS DUNE PARK

(From the Eugene, (Oreg.) Register-Guard)

William M. Tugman, publisher of the Reedsport newspaper, Port Umpqua Courier, told the Eugene Chamber of Commerce Forum Friday noon here that he favors the proposed establishment of a National Seashore Recreation Area in the sand dunes between Reedsport and Florence.

Tugman was one of nine Douglas County citizens who were guests of the chamber at a regular meeting in the Eugene Hotel. The visitors told about recreation and scenic attractions of the Reedsport area, and called for mutual promotion of Lane and Douglas Counties' recreation and economic potentials by citizens of both counties.

The newspaper publisher, who was editor of the Eugene Register-Guard for 25 years prior to becoming his own publisher, was introduced by Eugene Chamber President Arthur P. Martini. Martini described Tugman as, "a man who does more on slow bell than most of us can do on full speed ahead."

Tugman said that Senator RICHARD L. NEUBERGER'S proposal to establish the recreation area is well founded. National Park Service officials from San Francisco and Washington, D.C., visited with Reedsport area citizens and "answered all of our questions satisfactorily," Tugman said.

Industry could continue to run its industrial waste disposal lines through the dunes to the ocean if the Federal Government took over the proposed area, the editor-publisher said.

Tugman is chairman of the advisory committee on the Oregon State park system. He said that Oregon had 10 million visitors last year and that State recreation facilities are rapidly becoming utilized to capacity.

The proposed national park, he said, would be "an integrated, cooperative program for development of that wonderful natural area." The Boy Scout and Girl Scout facilities and the State's Honeymoon Park south of Florence, he said, would "not be impaired in the least."

In addition, he observed, "For every tax assessment dollar that is taken away by the project, we'll have many dollars created (by tourist trade and Federal Government expenditures in the park)."

In conclusion he said, "In light of the entirely reasonable policy of park officials, we have much more to gain than to lose by having the Government in there.

"In spite of all the uproar to the north of us (from Florence area citizens who protest the plan) I've had letters from resort owners from Florence who think very much as we do in favor of the proposal," he added.

Additional speakers representing Douglas County's Salmon Harbor at Reedsport; the U.S. Coast Guard station at Winchester Bay; the Douglas County parks department; and other groups attended. A motion picture showing salmon fishing facilities at Salmon Harbor was also shown.

WASHINGTON.—The Advisory Board on National Parks today recommended including eight new areas in the National Park System.

The Board's report, submitted to Secretary of the Interior Fred A. Seaton, proposed that he seek congressional approval of bills to establish as national shoreline areas:

1. Portions of Cape Cod, Mass.
2. Padre Island, Tex., near Corpus Christi.
3. Indiana Dunes, Ind.
4. Oregon Dunes, Oreg.

It recommended for inclusion in the National Park System:

1. The Wheeler Peak-Lehman Caves region of the Snake River in Nevada.
2. The Hubbell Trading Post, Ganada, Ariz.
3. A 34,000-acre area near Manhattan, Kans., which has particular significance as a tall grass prairie to be set aside as a national park.
4. A short grass area, the site still to be selected.

NATIONAL PARKS ADVISORY BOARD SUBMITS RECOMMENDATIONS TO SECRETARY SEATON

Nine recommendations from the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments were submitted today to Secretary of the Interior Fred A. Seaton.

Pointing out that it has consistently supported efforts to salvage and protect the Nation's outstanding natural shoreline areas, the Board recommended that the Secretary report favorably on bills now pending in Congress intended to establish as national shoreline areas portions of Cape Cod, Mass.; Padre Island, Tex.; Indiana Dunes, Ind.; and Oregon Dunes, Oreg. The Board recommended that steps be taken to eliminate adverse uses in any of those areas as quickly as possible.

The Board further expressed its hope that the Secretary will view with favor and lend his support to the principle of establishing, in the other relatively few remaining suitable areas, shoreline reservations as entities different in standards and administration from national parks, monuments, or historic sites.

Amplifying on recommendations for approval of congressional bills for setting aside Padre Island as a shoreline area, the Board advised that this approval be contingent upon steps being taken, immediately upon passage of the enabling legislation, to eliminate all prospecting, drilling, and production of oil, gas, or other minerals. Such hostile use, the Board stated, renders Padre Island inappropriate for preservation as a unit of the National Park System.

During its 3-day meeting, just concluded in Shenandoah National Park, Va., the Board elected Frank E. Masland, Jr., of Carlisle, Pa., as its new chairman; Dr. Edward B. Danson, director, Museum of Northern Arizona, Flagstaff, as secretary, and Harold P. Fabian, Salt Lake City, chairman of the Utah State Park and Recreation Commission, as vice chairman.

Other recommendations presented to Secretary Seaton, in the Board's capacity as his adviser on National Park Service matters, favored three additional areas for inclusion in the National Park System. They are: the Wheeler Peak-Lehman Caves region of the Snake River, Nevada; the Hubbell trading post, Ganada, Ariz., and a 34,000-acre area near Manhattan, Kans., which has particular significance as a tall-grass prairie to be set aside as a national park. The Board also recommended selection of a short-grass area for inclusion in the park system.

The Wheeler Peak-Lehman Caves region was recommended because of its recognized scientific values and because of findings that have determined it to be representative of the numerous Great Basin mountain ranges and as such of national significance, the Board indicated.

The Hubbell trading post was recommended for classification "as of exceptional value under the terms of the Historic Sites Act." The Secretary was advised that the trading post, founded in 1876, illustrates in an exceptional way a nationally important phase of the history of the United States and the part played by reservation traders in the settling of the West and bringing about an understanding by American Indians of the white man's way of life. It was pointed out that the post is now available for preservation and that "its loss would forever impoverish our understanding of a major phase of our heritage."

The Board further advised the Secretary of its conclusions that the Dodge City ruts of the Santa Fe Trail in Kansas, and the grave and monument at Sioux City, Ia., of Sergeant Floyd, who was associated with the Lewis and Clark Expedition, are not of exceptional value under terms of the Historic Sites Act. It did, however, recommend that the Floyd grave and monument be preserved and administered by the State of Iowa or other suitable agency. The Board pointed out that, by appropriating funds for the erection of the memorial, the Federal Government had already recognized the contribution of Sergeant Floyd commensurate with his accomplishments toward the success of the Lewis and Clark Expedition.

In another recommendation, the Board urged that the funds for the acquisition of park lands recommended by President Eisenhower in the 1959 budget message to Congress be restored as originally presented and emphasized the urgent importance of acquiring lands of scenic as well as historic value recommended by the President.

In urging restoration of the funds included in the budget message and which have been cut by action of the House of Representatives, the Board said that each year's delay in land acquisition sees many sites of national scenic or historic importance destroyed or so mutilated that their value is forever lost to the people of America.

It further stated that each year's delay sees developments on inholdings within park boundaries that will make future acquisition more costly or prohibitive; will result in greater difficulty in meeting the needs and demands of an exploding rate of population increase; and that, due to lack of necessary funds, would eventually cost the Government far more each year than present costs.

The Board also recommended certain new guidelines concerning the preservation of historic sites and buildings under the National Survey of Historic Sites and Buildings.

This recommendation emphasized that historical preservation in the United States should be a cooperative effort of Federal, State and local governments, patriotic organizations, and civic-minded groups, and that the Federal Government should not attempt to administer all significant historic sites throughout the Nation.

The Board said that the Federal Government should not seek ownership of exceptional historical and archeological sites already held in public or semipublic ownership, but instead should give encouragement to the State, municipality, or organization in their preservation efforts.

The Board said sites of exceptional value in nonpublic ownership, suitable for and

needed by the National Park System to round out its interpretation of American history, should be included in the long-range National Park System plan.

Prior to the 3-day meeting which opened April 20, the Board visited Manassas National Military Park, Va., site of the opening battle of the Civil War, and inspected the park.

POOR ACOUSTIC QUALITIES OF THE SENATE CHAMBER—NEED FOR FISCAL LEGISLATION

Mr. WILEY. Mr. President, there is a line in the great poem by Rudyard Kipling which refers to the time when "The tumult and the shouting dies."

Mr. President, I attended the memorial service for the late Senator Taft. It was beautifully conducted. What impressed me particularly was the fact that one could hear everything said. When the Chaplain of the Senate uttered his very remarkable prayer it was heard with distinctness all over the enclosure and out into the streets.

I did not pay so much attention to the matter at the time, but when I left the grounds one of my constituents said, "Senator, why can we not hear what is going on in the Senate like we heard out here today? What is the trouble? Many of you Senators—and I do not mean you, Senator, because your voice carries—do not speak very loud. The majority leader and the minority leader, when they address the Presiding Officer, cannot even be heard in the back seats of the Senate Chamber, to say nothing about the galleries. We represent the American public. We would like to know what is going on."

That was a challenging statement, but it confirmed the position which I had taken on a previous occasion. If the prayers of the Chaplain of the Senate could be heard in the Senate in the same way they were heard at the time of the dedication of the memorial, they would have a great effect, because they are beautiful, inspirational prayers.

What is the answer? I say the answer is that the Presiding Officer of the Senate should have the proper instrument in front of him so that his voice could be heard. There are Senators whose voices are of a low, guttural nature, and we cannot understand what they say.

I insisted once—and a few other Senators joined me—that it was important for the Senators as well as the people to know what is going on in the Senate. Much of the business transacted in this Chamber is transacted in subdued voices. I say definitely that the voice of the Vice President and the voice of the Presiding Officer, when they are engaged in answering those who represent the majority or the minority, should be heard, and many times they cannot be heard beyond my seat.

In view of this situation, I feel it is very important, in the days ahead, since we face really challenging problems, to consider this matter. While we have had matters under discussion such as those of yesterday, which are important, there are other things which are more important.

Some of the important things are: What are we doing about the budget? What are we doing about the taxes? What are we doing about Government spending? What are we doing about facing the responsibilities not only of today but of tomorrow?

I repeat, there are 40 million American bondholders who are finding their bonds being depreciated each day. Why is that true? It is true because we are not meeting the problem of looking for increased taxes, or stopping loopholes whereby certain taxes are escaping.

There are 120 million insurance policy holders, who paid for their policies in 100-cent dollars and whose 50-cent dollars are now going down further in value. What are we doing about that?

The policyholders say, "Senator, what should we do?" I will answer them. We should face up to the economic facts of life. We should see the facts as they are and have the unmitigated fortitude to face them. When we face them, we can supply the answer. I say the answer is to be found in a very simple and constructive manner.

Mr. Rockefeller, of New York, answered the challenge, in spite of his friends and in spite of those who were supposed to be his most close associates. Mr. Rockefeller said the State budget had to be balanced, and he went to work. He got the economists to say what should be done with relation to increased taxes, and taxes were increased. Of course, that is something we must face up to.

I am thinking in terms of the 40 million bondholders—the people who have saved their money, the people who put up the money with which to conduct the affairs of the country when the money was needed. I am thinking of the insurance policyholders who have paid in their money on premiums. I am also thinking of the children of tomorrow. What kind of inflationary challenge will they have to meet? I am thinking of folks living on pensions, on social security.

Yes, do nothing—knock a bigger hole in the dollar and look out for breakers up ahead.

Or face the challenge without fear and put a stop to the threat of inflation.

There are two things we must do. We must let the public hear what is going on. We must let the words spoken from the chair of the Vice President and from this floor be heard. We must let each Senator take a stand on the questions I have raised.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

UNITED STATES-INDIA CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION

Mr. WILEY. Mr. President, on May 4 and 5 more than 60 United States and Indian political figures, industrialists and scholars will meet here in Washington to participate in a 15-session, 2-day conference on opportunities for public and private cooperation by the free world in India's economic development. Representatives of more than 300 companies, organizations, and governmental agencies of the United States and India will attend the sessions.

The conference will be concerned not merely with generalizing and theorizing about economic development; rather, it will deal with the specific problems of one country—India. The aim, too, is to determine how nations that feel a responsibility for economic progress beyond their own borders can assist with the developmental problems of another country.

According to Mr. Eric Johnston, chairman of the Committee for International Economic Growth, and of the conference, leadership to a large extent is drawn from the business community of our Nation and other endeavors. Its purpose will be twofold: First, to help define and illuminate the urgent problems of economic and social development confronting the people of India today; and, second, to seek more effective methods of international economic cooperation to be applied in the economic assistance program.

Mr. Johnston has invited all of the Members of the Congress and their staffs to attend any of the 15 sessions which the Committee for International Economic Growth will hold during its 2-day meeting. For all of us, no matter what may be our opinions of the problems and processes of international economic cooperation, I believe there will be much information of value to be gained from these meetings. I commend this conference to the attention of Senators. I request unanimous consent to have printed at this point in the RECORD a supplemental statement and conference program, for the benefit of those who have not seen the full listing of subject matter and discussion leaders.

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

STATEMENT BY SENATOR WILEY

The United States-India Conference on Economic Cooperation is sponsored by five outstanding American organizations whose leadership is drawn to a large extent from the business community of our Nation as well as leaders in other endeavors. Further, the contributing sponsors who are helping to make this conference possible number among them some of our major business and banking concerns with broad experience in economic affairs in many parts of the world.

I am referring to the national conference on India and the United States—1959, which has been organized by the Committee for International Economic Growth and which is cosponsored by the National Planning Association, the Asia Foundation, the Stanford Research Institute, and the Center for International Studies of Massachusetts Institute of Technology.

Among the companies which are contributing sponsors are the Bank of America, N.T. & S.A., the Bunge Corp., the Carborundum Co., Central Gulf Steamship Lines, Johnson & Johnson International, Kaiser Engineers Overseas Corp., Kaiser Aluminum & Chemical Corp., K. A. Export Co., Koppers Co., Inc., Merck, Sharp & Dohme International, Pfizer International, Inc., Standard-Vacuum Oil Co., Union Carbide International Co., and Willys Overland Export Corp., and Isthmian Steamship Company.

The list of distinguished participants and speakers includes more than 60 authorities: business executives of the United States and from India who will be in Washington expressly for this meeting; India specialists from more than 12 U.S. universities and foundations with broad first-hand experience in international economic affairs and the problems of Indian economic development; representatives of international finance organizations; and officials of Governments of India and the United States, including the distinguished President of the Senate, the Honorable RICHARD M. NIXON, and two of my esteemed colleagues of the Foreign Relations Committee, Senator HUMPHREY and Senator KENNEDY.

Most gratifying is the concentration of this conference on the detailed practical scrutiny of Indian economic development in terms of industrial policy, small business, community development, the opportunities for private enterprise and other bedrock economic facts of life in India of importance to that nation and of importance to any country, such as ours, interested in economic development in a democratic framework which provides opportunities for private capital as well as government-to-government aid.

It is particularly noteworthy that among the Indians who will be in Washington for this significant meeting are the Honorable H. V. R. Iengar, Governor of the Reserve Bank of India and one of the chief architects of India's economic programs; the Honorable B. K. Nehru, India's Commissioner General for Economic Affairs, and the Honorable Asoka Mehta, member of the Indian Parliament and one of India's most outspoken anti-Communists, and a number of India's leading industrialists whose business activities are truly representative of the vigor of private enterprise in India today.

India's Ambassador to the United States, His Excellency M. C. Chagla, and a former U.S. Ambassador to India, the Honorable Chester Bowles, are also participating in the conference, as are Mr. John D. Rockefeller 3d and the Honorable Averell Harriman, both of whom have recently returned from extensive visits to the country which is the subject of the meeting; our Assistant Secretary of Labor, Mr. George Lodge; Miss Barbara Ward, the distinguished economist and author; and, in fact, a whole array of persons especially qualified to probe this subject for the benefit of all of us interested in international economic affairs.

CIEG NATIONAL CONFERENCE ON INDIA AND THE UNITED STATES, MAY 4 AND 5, 1959, MAYFLOWER HOTEL, WASHINGTON, D.C.

MONDAY, MAY 4

9–9:30 a.m.: Registration.

9:30 a.m.–12 noon: Morning session.

Opening remarks by the Chairman, the Honorable Eric Johnston; "The Importance of Indo-American Relations in Today's World," the Honorable Richard M. Nixon, Vice President of the United States; H. E., M. C. Chagla, the Ambassador of India; "The Bases of U.S. Interests in India," The Honorable John F. Kennedy, United States Senator from Massachusetts; "India's Development: Problems and Programs," The Honorable B. K. Nehru, Commissioner General for Economic Affairs of India.

12 noon–12:30 p.m.: Recess.

12:30 p.m.: Luncheon session.

Remarks and Introductions by the Chairman; "The Free World Stake in India's Future," Miss Barbara Ward (Lady Jackson).

2:30 p.m.: The afternoon session.

Remarks by the Chairman; "India, China and the West," Mr. Frank Moraes, Editor, the Express Newspapers, India; "India's 5-Year Plans: Results and Aims," H. V. R. Iengar, Governor, Reserve Bank of India. Discussion: Leon Keyserling, former Chairman, President's Council of Economic Advisers, Dr. Ansley J. Coale, Princeton University. Panel: "Role of American Industry in India's Development"; Michael Webster, Assistant to the President, Johnson and Johnson, International; Herbert Harig, President, Harig Manufacturing Co.

6–7 p.m.: Recess.

7:30 p.m.: Dinner session.

Opening Remarks by the Chairman, John D. Rockefeller, 3d, President of the Asia Society; "Introductions by the Toastmaster," The Honorable Eric Johnston; "An Indian View of the U.S.A.," The Honorable Asoka Mehta, M.P., Parliamentary Leader of the Praja Socialist Party; "An American View of India," The Honorable Averell Harriman, Former Governor of New York.

TUESDAY, MAY 5

9 a.m.-9:30 a.m.: Plenary session.

Opening Remarks by the Chairman; Address by The Honorable CHESTER BOWLES, Member of Congress from Connecticut.

10 a.m.–12 noon: Six simultaneous panel discussions:

1. "India's Role in World Affairs": Dr. Phillips Talbot, Director, American Universities Field Staff (Chairman); Prof. Ross Berkes, University of Southern California; Prof. Michael Brecher, McGill University; Prof. Norman Palmer, University of Pennsylvania; Prof. Quincy Wright, University of Virginia.

2. "The Political Scene in India": Selig Harrison, associate editor, the New Republic (chairman); Dr. Burton Marshall, the Carnegie Foundation; Asoka Mehta, M.P., parliamentary leader of the Praja Socialist Party; Prof. Richard L. Park, University of California; Frank Moraes, editor, Express Newspapers of India.

3. "Industrial Policy and Program": Bharat Ram, industrialist, New Delhi (chairman); Gardiner C. Means, economic consultant; I. G. Patel, Alternate Executive Director, International Monetary Fund; Dr. Antonie Knoppers, president, Merck Sharpe & Dohme, International.

4. "Objectives and Resources": Prof. Wilfred Malenbaum, Massachusetts Institute of Technology (chairman); Leon Keyserling, economic consultant; Prof. Max Millikan, Massachusetts Institute of Technology; H. V. R. Iengar, Governor, Reserve Bank of India; George F. Gant, the Ford Foundation; P. S. N. Prasad, International Bank for Reconstruction and Development; B. N. Adarkar, International Monetary Fund.

5. "Agricultural Development": Dr. Carl C. Taylor, consultant in rural development (chairman); B. J. Patel, president, All India Cooperative Union; Dr. Clifford Taylor, University of Maryland; Albert Mayer, architect and town planner; J. S. Raj, International Monetary Fund.

6. "Small Industry in the Indian Economy": Dr. Eugene Staley, the Stanford Research Institute (chairman); Rev. James Berna, S.J., Georgetown University; James T. McCrory, director, community relations, St. Louis, Mo.; P. Govindan Nair, Economic Minister, Embassy of India.

12–12:30 p.m.: Recess.

12:30–2 p.m.: Luncheon session.

Remarks by the Chairman, the Honorable HUBERT HUMPHREY, U.S. Senator from Minnesota; "Roundtable talk: India and American Opinion: Myth and Fact", an informal roundtable discussion by a group of leading American and Indian writers and commentators, Miss Barbara Ward (Lady Jackson); William Stringer, the Christian Science Monitor; Lawrence Spivak, producer, "Meet the Press"; Harold Isaacs, author of "Scratches on the Mind"; Frank Moraes, editor, Express Newspapers of India.

2–2:15 p.m.: Recess.

2A. "Tradition and Change": Prof. W. Norman Brown, University of Pennsylvania (chairman); Prof. Milton Singer, University of Chicago; Prof. K. S. Nilakanta Sastri, University of Chicago; Dr. B. B. Misra, University of Wisconsin; Dr. Flemmie P. Kittrell, Howard University; Dr. Richard B. Gregg, author.

3A. "Private Enterprise in India": Matthew Kust, lawyer and author (chairman); Arthur Phillips, general counsel, Godfrey Cabot, Inc.; J. Delano Hitch, president, the Dorr-Oliver Co.; C. S. Krishna Moorthi, counselor, Commission General for Economic Affairs of India; P. Chentsa Rao, secretary, Federation of Indian Chambers of Commerce and Industry.

4A. "External Assistance to India": Prof. Max Millikan, Massachusetts Institute of Technology (chairman); Prof. Arthur Smithies, Harvard University; I. G. Patel, International Monetary Fund; Frederick L. Holborn, legislative assistant to Senator KENNEDY; Hart Perry, the Development Loan Fund; Geoffrey Wilson, U.K. Treasury and Supply Mission.

5A. "The Community Development Program": Albert Mayer, architect and town planner (chairman); Dr. Carl Taylor, consultant in rural development; Prof. Richard L. Park, University of California; Dr. Asoka, Mehta, M.P., New Delhi; Jack Gray, Texas A. & M.; Dr. Arthur Mosher, Council on Economic and Cultural Affairs.

6A. "Problems of Labor and Management in India's Development": Prof. Charles A. Myers, Massachusetts Institute of Technology; Hon. George Lodge, Assistant Secretary of Labor; Prof. Van Dusen Kennedy, University of California; Dr. Subbiahn Kannappan, University of Chicago; Prof. Morris D. Morris, University of Washington; Mr. Harry Pollack, AFL–CIO.

RETIREMENT OF GEORGE E. BIGGE

Mr. GREEN. Mr. President, tomorrow, April 30, George E. Bigge will retire from his position as Special Assistant on Federal-State Problems to the Secretary of the Department of Health, Education, and Welfare. With his education, training, and experience in social security matters, he has contributed much to the administration of our social-security program, and I trust his retirement will be only from the Department and not from the fields of social security in which he is so well versed.

Mr. Bigge was born in Michigan, and taught in rural schools there before going to the University of Michigan. He received a doctor's degree in economics and taught at the university.

Moving on to Brown University as a professor of economics, he later became head of the department of economics. While at the university, he served on various public boards. As Governor of the State, I appointed him to the commission on interstate compacts affecting industry and labor, and, also, on the cotton textile industrial relations board. He also served as a consultant to the commission I selected to draft the first unemployment compensation law for Rhode Island. When that legislation was enacted I appointed him as the first chairman of the unemployment compensation board.

In 1937 I recommended George Bigge to the late President Roosevelt for appointment as a member of the Social Security Board to succeed the former and late Governor Winant of New Hampshire. He then served on the Social Security Board during its formative years to 1946 and contributed importantly to its sound development. As Director of Federal-State relations for the Federal Security Agency from 1947 to

1953, and as Special Assistant for Federal-State Relations in the Department of Health, Education, and Welfare since 1953, his sound judgment and wise counsel have been of great value. His consistent interest has strengthened Federal-State grant-in-aid programs throughout the country. He served as a departmental representative in the work of the Commission on Intergovernmental Relations and made a significant contribution to its deliberations.

During 1945 and 1946 he served as consultant on social security with American Military Government in Germany. In fact, throughout the years of his Government service he has shown his interest not only in all aspects of health, welfare, and social insurance in this country, but, also, in those of other countries of the world.

George Bigge's intellectual integrity, his breadth of knowledge, and his consideration for others, have won him the esteem of his associates. His qualities of character and his devoted public service warrant public recognition.

I know that all of us wish Mr. Bigge happiness in his retirement, and trust that his services will be available to those of us who are interested in social-security matters.

HISTORIC MILESTONE IN PACIFIC TRAVEL

Mr. MAGNUSON. Mr. President, this is a historic day for our Pacific rim nations.

The 50,000th flight of a Pan American Clipper takes off today for Honolulu, Guam, and Manila.

Hundreds of thousands who have flown this route since it was first opened in 1935 can reflect upon the part they have played in pioneering air travel across the Pacific Ocean.

So that this occasion may be appropriately marked in Congress, I ask unanimous consent that the statement I hold in my hand be printed in the body of the RECORD.

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

PAN AMERICAN TO MARK 50,000TH PACIFIC FLIGHT

Pan American World Airways will observe the 50,000th flight of a Clipper across the Pacific Ocean on April 29. Pan Am began commercial operations across the world's biggest ocean on November 22, 1935, when the famous *China Clipper* flying boat took off from San Francisco Bay with a load of airmail for Honolulu, Guam, and Manila.

Little fanfare will accompany the departure of Flight No. 1 on April 29. It will be simply another of the six Clipper departures that day for transpacific points.

By contrast, 25,000 people attended the 1935 ceremonies including State and Federal officials, and the then Postmaster General, James A. Farley. A crowd of 125,000 jammed observation sites to watch the *China Clipper* taxi out from its dock and roar off the water.

The late Capt. Edwin C. Musick commanded the *China Clipper*'s crew of seven. In the plane's holds were 110,865 letters weighing 1,837 pounds. No revenue passengers were carried on the Pacific service until nearly a year later.

The *China Clipper* required 21 hours to reach Honolulu, its first port of call. It continued on via Midway, Wake, and Guam, and set down in Manila Bay 6 days after leaving San Francisco. Flight time for the 8,210-mile route was 59 hours 48 minutes.

Today's Super-7 Clippers make the 2,400-mile San Francisco-Honolulu flight in 9 hours. When jet Clipper service is inaugurated, flight time will be less than 5 hours.

From 1935 until October 1936 when the first passengers were carried, the Clippers made a total of 50 crossings. By December 7, 1941, when Pan American went on a wartime status, the number of crossings had increased to 199. By way of contrast, the total number of Pacific flights during 1958 alone was 4,370.

During the prewar period, the Clippers carried a total of 2,336 passengers. By the end of 1958, the total had swelled to more than a million and a half passengers and this is increasing at a rate of 3,000 per month.

In the pioneer days, the Pacific route was confined to Honolulu, Guam, and Manila. Today the company's Pacific-Alaska division also serves Fiji, Samoa, New Zealand, Australia, Tokyo, Hong Kong, Saigon, Singapore, Bangkok, and Rangoon. Connections are made with Pan Am's Atlantic division to provide round-the-world service. In addition the division operates regular polar route service from the west coast to Europe and from Seattle to Alaska's major cities.

Equally striking are the advances made in aircraft development and attending flight speeds during the 23½ years of Pacific Clipper operations.

The *China Clipper* cruised at 135 miles per hour; the DC-7C flies at 350 miles per hour, and the jet's speed is 575 miles per hour.

Carrying capacity of the Pacific Clippers also has risen sharply. The first commercial passenger flight in 1936 carried seven passengers. Today's Super-7's and stratocruisers can carry up to 81 passengers, and the jets will be able to increase this capacity to 150 or more.

Years of preparation by Pan American preceded the inauguration of transpacific service. The pioneers faced such obstacles as the fact that no airliner had the range Pan American required, and no aircraft or passenger facilities existed at many of the way stations on the proposed Pacific route.

In 1932, however, aircraft manufacturers submitted bids on planes which met Pan American specifications, and their construction was begun.

To staff its Pacific operation, Pan American brought in 41 veterans of its Caribbean services, which had opened in 1927. By 1935, the number of employees had grown to 221.

Pan American experts planned air routes, and developed communications facilities, weather forecasting, and operating techniques.

In early 1935 Pan American chartered a ship to carry material for airbases and housing, aircraft fuel, technicians, construction crews, several months' supply of food, and countless other items to prepare the Pacific islands for the coming of the Clippers.

Meanwhile survey flights were being operated out of San Francisco over segments of the route the *China Clipper* would follow. Between April and October 1935 four survey flights went out from the west coast to prepare the way for the November inaugural.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

In accordance with the order previously announced, the Senate will proceed with the call of the calendar. The clerk will state the first measure on the calendar.

HARRY H. NAKAMURA

The bill (S. 611) for the relief of Harry H. Nakamura was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time for filing claims for compensation under the Act entitled "An Act to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders", approved July 2, 1948 (62 Stat. 1231), is hereby extended until the expiration of one year after the date of enactment of this Act in the case of Harry H. Nakamura.

BILLS PASSED OVER

The bill (S. 1075) to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior, was announced as next in order.

Mr. ENGLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 91) to amend the act of September 1, 1954, in order to limit to cases involving the national security, the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the operations of such act, and for other purposes, was announced as next in order.

Mr. ENGLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 72) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho under Federal reclamation laws, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ADVANCEMENT OF CAPT. EDWARD J. STEICHEN, U.S. NAVAL RESERVE

The bill (S. 587) to provide for the advancement of Capt. Edward J. Steichen,

U.S. Naval Reserve (retired) to the grade of rear admiral on the Naval Reserve retired list was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Captain Edward J. Steichen, United States Naval Reserve (retired), shall be advanced on the Naval Reserve retired list to the grade of rear admiral effective as of the date of enactment of this Act in recognition of his invaluable services on behalf of the United States and the United States Navy through outstanding contributions in the science of photography.

SEC. 2. Nothing contained in this Act shall be deemed to increase the retired or retirement pay received by the said Captain Edward J. Steichen and no other benefits shall accrue to him by virtue of the enactment thereof.

BILLS PASSED OVER

The bill (H.R. 3293) to authorize the construction of modern naval vessels, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, was announced as next in order.

Mr. ENGLE. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 21) favoring the suspension of deportation in the case of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-4727055, Blaek, Ewald.
A-6623087, Chen, Won.
A-7073910, Chen, Rose Marcial.
A-7841721, Doxas, Ioannis Georges.
A-7469427, Duran-Gomez, Lucio.
A-5653974, Goldberg, Jennie.
A-5923851, Gonie, Abdul.
A-8227824, Hintopoulos, Anastasios.
A-8227810, Hintopoulos, Elizabeth.
A-10237829, Howell, James.
A-9509847, Kim, Tan Cheng.
A-7910271, Laskaratos, Antonis.
A-3734088, Laush, John.
A-7606569, Lorsy, Pierre Auguste.
A-5680354, Mitsis, Vasilios George.
A-3191505, Miyagi, Shintaro.
A-9702526, Nam, Wong.
T-330304, Nunez, Estrella Quesda-Padron de.
A-10828947, Okano, Toshio.
A-9783404, Pioa, Ching Tsung.
A-3313814, Poon, Gee King.
A-7123769, Prano, Francesco.
A-3026388, Sikinger, Maximilian.
A-5983271, Teh-Chee, Wong.
A-6218916, Tijerina, Elidia Gomez.
A-8082837, Yee, Chan Tim.
A-9634992, Choy, Wong.
A-5309224, Engelbert, Walter.
A-6888873, Huppert, George.
A-6798911, Huppert, Marta (nee Simon).
A-9563617, Karapanagiotis, Aristotelis Anastassios.
A-9197864, Sing, Lai.
A-10504603, De Belmares, Josefina Coronel.
A-4789022, Evans, Zena Ann.
A-4786269, Hamasaki, Hiroichi.
A-5364167, Hamasaki Tsugino.
A-9684330, Kam, Lo.
A-9799123, Kwai, Yung Ah.
A-3351370, Lum, Chong.
A-7186533, Rubin Riva.
A-4276892, Dos Santos, Alfredo Lopes.
A-7450107, Wong, Kam.
A-6657670, Cheliotis, Athanasios Elias.
A-7898703, Costa-Coloret, Candido.
A-10292017, Costa, Candida Jalda-Diaz De.
A-7137721, Galaviz, Juana.
A-7886181, Lam, Cheong King.
A-5056856, Trentin, Giuseppe.
A-2794618, Carlson, Peter.
A-6984286, Garcia-Mendez, Celia.
A-6984283, Garcia-Mendez, Maria.
A-6984285, Garcia-Mendez, Victor.
A-3974383, May, Chang Ah.
A-9625807, Mustasaar, Jaan.
A-8952421, Wing, Lew.
A-8952422, Chung, Lee Sun.
A-5830879, Arden, Robert H.
A-7264249, Kildea, Gay Yvonne.
A-8217364, Silaikis, Felix.
A-9635445, Wong, Chong.
A-10255991, Chow, Sow Tan.
A-9727518, Giraud, Boniface Victorius Leon.
A-7241518, Lynch, Timoth James.
A-9069727, Yin, Ho York.
A-7266325, Fong, Han Soon.
A-9571969, Lim, Chew Tak.
A-10255551, Toon, Tan Siang.
A-7469694, Wah, Tan Jow.
A-9537742, Tan, Yap Eng.
A-9561879, Paun, Tin Joke.
A-7978933, Nunez y Plasencia, Juan Jose.

MAGDA KUSEN CANJUGA

The bill (S. 29) for the relief of Magda Kusen Canjuga was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration Nationality Act, Magda Kusen Canjuga shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

BERTHA GLICKMANN

The bill (S. 33) for the relief of Bertha Glickmann was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration Nationality Act, Bertha Glickmann shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARY (MARIJA) GROM

The bill (S. 181) for the relief of Mary (Marija) Grom was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mary (Marija) Grom shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

HILDA M. HUMPOLE GOLDSCHMIDT

The bill (S. 334) for the relief of Hilda M. Humpole Goldschmidt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Hilda M. Humpole Goldschmidt, who lost United States citizenship under the provisions of section 352(a)(2) of the Immigration and Nationality Act, may be naturalized by taking, prior to one year after the date of the enactment of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such Act. From and after naturalization under this Act, the said Hilda M. Humpole Goldschmidt shall have the same citizenship status as that which existed immediately prior to its loss.

SOPHIE STANKUS

The bill (S. 625) for the relief of Sophie Stankus, also known as Sister Saint Ignace, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sophie Stankus, also known as Sister Saint Ignace, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARIA WOLFRAM

The bill (S. 626) for the relief of Maria Wolfram was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, notwithstanding the provisions of section 212(a)(4) of the Immigration and Nationality Act, Maria Wolfram may be issued a visa and admitted to the United States if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said Act: *Provided further,* That this exemption shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to enactment of this Act.

ASAE NISHIMOTO

The bill (S. 1034) for the relief of Asae Nishimoto was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Asae Nishimoto, who lost United States citizenship under the provisions of section 401(e) of the Nationality Act of 1940, may be naturalized by taking, prior to one year after the date of the enactment of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such Act. From and after naturalization under this Act, the said Asae Nishimoto shall have the same citizenship status as that which existed immediately prior to its loss.

YONG CHUL JURGENS

The Senate proceeded to consider the bill (S. 182) for the relief of Yong Chul Jurgens, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yong Chul Jurgens, shall be held and considered to be the natural-born alien child of Mr. Charles J. Jurgens, a citizen of the United States: *Provided,* That no natural parent of Yong Chul Jurgens, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

UMEKO PARKER

The Senate proceeded to consider the bill (S. 245) for the relief of Umeko Parker, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Umeko Parker, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of that Act, and the provisions of section 205 of the said Act shall not be applicable in this case.

The amendment was agreed to.

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

GIOVANNI MALARA

The Senate proceeded to consider the bill (S. 524) for the relief of Giovanni Malara, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the words "United States", to insert a colon and "*Provided,* That no natural parent of Giovanni Malara, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

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, the minor child, Giovanni Malara, shall be held and considered to be the natural-born alien child of Giovanni and Margherita Malara, citizens of the United States: *Provided,* That no natural parent of Giovanni Malara, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. LANGER. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. The Senator from North Dakota desires an explanation of the bill.

Mr. ENGLE. The purpose of the bill, introduced by the Senator from New York [Mr. KEATING], as amended, is to grant to the minor child adopted by citizens of the United States the status of a nonquota immigrant which is the status normally enjoyed by alien minor children of U.S. citizens. The bill has been amended in accordance with established precedents.

I yield to the Senator from New York for any further explanation he desires to make.

Mr. KEATING. Mr. President, this child is a 12-year-old native and a citizen of Italy, who was adopted by citizens of the United States in an Italian court in Naples. He resides at present in Italy with his natural parents. He is the nephew of his adoptive father, who entered the United States in December 1954, and was naturalized in 1958. The adoptive mother is a native-born U.S. citizen who reentered the United States from Italy in July 1953. She had resided in Italy since the age of 3.

The beneficiary had been in the custody of his adoptive parents since his birth, until his adoptive mother departed from Italy for the United States in 1953.

The information before the committee is to the effect that the beneficiary's adoptive parents are fully financially able to care for this infant.

I may say to the distinguished Senator from North Dakota that the bill follows the precedents which have been established in such cases relating to infants.

Mr. LANGER. Can the distinguished Senator tell me whether this bill was previously before the Judiciary Committee?

Mr. KEATING. Yes; it was previously before the Judiciary Committee, and was unanimously reported.

Mr. LANGER. A year or 2 years ago?

Mr. KEATING. I think not, because the report from the Commissioner of Immigration is dated March 12, 1959.

Mr. LANGER. Was there a report last year?

Mr. KEATING. Not to my knowledge.

Mr. LANGER. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

URSULA GEWINNER

The Senate proceeded to consider the bill (S. 843) for the relief of Ursula Gewinner, which had been reported from the Committee on the Judiciary, with amendments on page 1, line 10, after the word "Act", to insert a colon and "*And provided further,* That her marriage to her U.S. citizen fiancé, Raymond T. Watters, shall have occurred within six months after the date of the enactment of this Act.", so as to make the bill read:

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 212(a)(12) of the Immigration and Nationality Act, Ursula Gewinner may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *And provided further,* That her marriage to her United States citizen fiancé, Raymond T. Watters, shall have occurred within six months after the date of the enactment of this Act.

The amendment was agreed to.

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

HLIAS ANTHONY LOUSEDES

The Senate proceeded to consider the bill (S. 940) for the relief of Hlias Anthony Lousedes, which had been reported from the Committee on the Judicary, with an amendment in line 7, after the word "fee", to insert "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."; so as to make the bill read:

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 Immigration and Nationality Act, Hlias Anthony Lousedes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

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

HERBERT WESTERMANN

The Senate proceeded to consider the bill (S. 1239) for the relief of Herbert Westermann, which had been reported from the Committee on the Judiciary, with an amendment in line 7, after the word "Act", to strike out the comma and "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

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 Immigration and Nationality Act, Herbert Westermann shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act.

The amendment was agreed to.

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

PETER TRBOJEVIC AND HIS WIFE

The Senate proceeded to consider the bill (S. 848) for the relief of Peter Trbojevic and his wife Milica Trbojevic, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert "That, in the administration of the Immigration and Nationality Act, Petar Trbojevic shall be considered to have been registered on the waiting list for intending immigrants for the quota for Yugoslavia as of April 17, 1945, the date on which American consular officers abroad were authorized to resume registration of intending immigrants."

The amendment was agreed to.

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

The title was amended, so as to read: "A bill for the relief of Petar Trbojevic."

MRS. MATHILDE RINGOL

The bill (H.R. 1453) for the relief of Mrs. Mathilde Ringol was considered, ordered to a third reading, read the third time, and passed.

LOGAN DUFF

The bill (H.R. 1462) for the relief of Logan Duff was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

The bill (H.R. 2237) to amend chapter 13—wage earners' plans—of the Bankruptcy Act was considered, ordered to a third reading, read the third time, and passed.

SAMUEL ABRAHAM AND OTHERS

The bill (H.R. 4314) for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF DURATION OF FEDERAL AIR POLLUTION CONTROL LAW

The Senate proceeded to consider the bill (S. 441) to extend the duration of the Federal air pollution control law, and for other purposes, which had been reported from the Committee on Public Works, with amendments on page 1, line 9, after the word "thereof", to strike out " "for each fiscal year such sum as may be necessary" " and insert " "for each of the four fiscal years during the period beginning July 1, 1960, and ending June 30, 1964, not to exceed $7,500,000",", and, on page 2, line 6, after the word "out", to strike out the comma and "and shall be allotted by the Surgeon General in accordance with regulations prescribed by the Secretary of Health, Education, and Welfare" and insert "by the Surgeon General" ", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of July 14, 1955 (42 U.S.C. 1857(d)), is amended—

(1) by striking out "(a)" after "SEC 5.",

(2) by striking out "for each of the five fiscal years during the period beginning July 1, 1955, and ending June 30, 1960, not to exceed $5,000,000" in the first sentence and inserting in lieu thereof "for each of the four fiscal years during the period beginning July 1, 1960, and ending June 30, 1964, not to exceed $7,500,000",

(3) by inserting "for surveys and studies and" before "for research" in clauses (1) and (2) of such first sentence, and

(4) by striking out "by the Surgeon General" in the last sentence.

SEC. 2. Such Act is further amended by adding at the end thereof the following new section:

"SEC. 8. It is hereby declared to be the intent of the Congress that any Federal department or agency having jurisdiction over any building, installation, or other property shall, to the extent practicable and consistent with the interests of the United States and within any available appropriations, cooperate with the Department of Health, Education, and Welfare, and with any interstate agency or any State or local government air pollution control agency in preventing or controlling the pollution of the air in any area insofar as the discharge of any matter from or by such property may cause or contribute to pollution of the air in such area.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. KUCHEL. Mr. President, I have a technical amendment to offer to the first committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 1, after line 5, it is proposed to strike out through line 2, on page 2, and insert the following:

(2) after $5,000,000 in the first sentence insert a comma and the following: "and for each of the four fiscal years during the period beginning July 1, 1960, and ending June 30, 1964, not to exceed $7,500,000."

Mr. KUCHEL. Mr. President, this is entirely a technical amendment. There was an imperfection in the bill as it was introduced and considered by the committee. The head of the staff of the Committee on Public Works is present. There is no objection to this amendment.

Mr. CHAVEZ. Mr. President, the chairman accepts the amendment.

Mr. KUCHEL. I thank the chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KUCHEL] to the first committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the second committee amendment, on page 2, line 4.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, the bill now before the Senate, extending the Air Pollution Research and Technical Assistance Act which will expire June 30, 1960, is a vital measure for the protection of health, property, and comfort of human beings and to prevent serious threatened losses to growing things, both animal and vegetable.

The act which S. 441 would continue for another 4 years enabled the Federal Government to join forces with State and local agencies, with industries, and with private scientific groups in battling the serious menace which is an inevitable consequence of modern day conditions and trends. The 84th Congress approved that measure, which I had the honor to introduce, when it became painfully obvious that the atmosphere was being fouled to the danger point in many instances by the increasing mechanization and motorization of our Nation and the mushrooming of thickly settled communities.

I am sure all of my colleagues agree with me, as I have pointed out on several occasions, that in our changed pattern of everyday living the phrase "free as the air" now is an anachronism. If our people are to enjoy pure, healthful air, which is indepensable to the existence of every living thing, we must pay a price.

The Air Pollution Research and Technical Assistance Act was an attempt to hold down the price of pure, healthful air. Its purpose was to mobilize the extensive and often unique resources of the Federal Government for a program of investigation, research, and training of personnel for the purpose of checking, reducing and ultimately controlling air pollution.

Because time was needed to organize for the battle against smog and other types of contamination, I regret the Federal Government has not participated to

the full extent authorized by Public Law 159. Nevertheless, by the expiration date next year, we will have expanded more than $16,500,000 of the total authorized amount of $25 million.

I wish to point out that with the appropriations to date of $12,345,000, the Federal Government has stepped up the pace of its work each year. By the end of the present fiscal year it expects to have made grants to researchers for a total of 102 separate investigation and study projects. For the coming fiscal year, its budget contemplates grants for an additional 41 projects. These are being carried on by scientists in universities, colleges, hospitals, and research institutions and represent important fact-finding, observation, and measuring work.

The Public Health Service reports that through June 30, 1960, it will have expended $3,707,000 in individual grants for research and $4,789,000 for contract research, in addition to $8,190,000 for its own direct operations in the air pollution field. Thus, it is evident, the Air Pollution Act of 1955 has brought into play an assortment of individuals and agencies in what is truly a cooperative effort.

This is a far different situation than existed when I entered this body more than 6 years ago. At that time, the Federal Government was merely dabbling in questions of air pollution as part of its work in the field of sanitary engineering. In my own State of California, the annual expenditure for antismog activities greatly exceeded the amount available to the Public Health Service for its limited work. Other Federal agencies which subsequently have contributed to the effort to track down causes of pollution then were doing very little or nothing. Although their participation still is modest, under the law I sponsored the Department of Agriculture, the Bureau of Mines, the Bureau of Standards and the Weather Bureau have been brought into the drive to devise ways of reducing and controlling objectionable discharge of contaminating elements into our Nation's air.

The fact remains that a multitude of questions still remain unanswered. Progress admittedly is slow. Yet, the research and investigation under Public Law 159 has produced much knowledge and at the same time has revealed the complexity of the problem.

The present bill is in complete accord with the overwhelming sentiment of several hundred scientists and public officials who last November attended the conference called by the Surgeon General of the Public Health Service to appraise past efforts and to recommend future action in the fight against air pollution. It was the recommendation of virtually every discussion group at that conference, at which 41 States were represented, that the present Research and Technical Assistance Act should be extended and expanded.

That also is the sentiment of the public at large. There is mounting public demand that stringent regulatory action be taken at local, State, or regional levels. Under the bill, the Federal Government still would leave such responsibilities to local and State agencies. But in order to have effective or only potential helpful police action, much technical and scientific data must yet be obtained so any steps by such agencies may be reasonable, practicable, and sound.

For instance, in many places a clamor has been heard that certain gadgets should be made mandatory on automobiles or that changes in types of motor fuel be ordered. There are grave economic questions involved in reducing and eliminating air pollution attributable to motor vehicles. The studies now in progress under Public Law 159 should be helpful in reaching decisions about standards of purity essential to human health.

The urgency of identifying every single source of pollution and of laying bare all secrets about the mystic natural forces which cause smog is undeniable. The effects of contamination can be and often are far-reaching. Countries surrounding heavily populated areas can be affected because the winds roll clouds of fumes across manmade boundaries. Food supplies can be endangered since some 40-odd separate crops are known to be susceptible to injury from polluted air.

Problems of such character cannot be solved solely by local levels. Air is a natural resource. Like all natural resources, it must be husbanded and conserved with all the ingenuity and determination our Nation possesses. Without fresh, uncontaminated air, people will not congregate nor long remain in thriving communities. The foundation for future growth and development of many sections of America may well rest on solution of the smog problem.

The obvious public interest in relieving air pollution necessitates Federal participation and S. 441 will enable the Federal Government to continue and to expand its role in this effort.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Mr. ENGLE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement regarding Senate bill 441, Calendar No. 167.

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

STATEMENT BY SENATOR ENGLE

In this age of scientific accomplishment our Nation is losing a battle critical to the present and future health of our burgeoning urban and metropolitan centers. Today the ravages of air pollution are eating like a cancer at the very heartland of our Nation. No area of the country is immune, no city safe from the effects of this modern dilemma.

And it is a dilemma—a problem of such magnitude that it is properly a subject for the consideration of this body as much as the issues of international tensions, the exploration of outer space, and national defense. For unless the living places of America are made safe, secure and comfortable, unless the great urban and metropolitan centers containing more than 64 percent of our population are protected from the expanding menace of air pollution, the resolution of these other problems would lose much meaning. In the large scope of history it may be that the issues making headlines today will be viewed as less important than the fundamental problem of creating and maintaining healthy, happy, and convenient living places for our exploding population.

Today, one of the compelling facts of modern existence is that we live in urban and metropolitan environments. More than this, we are now creating great conglomerations of metropolitan and urban centers, some of them stretching hundreds of miles along our seacoasts and fertile inland areas. And a problem now gnaws at the heart of these areas, a problem so large and so complex that it has defied solution in spite of the concentrated attention of local governments, private industries, and well meaning citizen groups.

The problem? The wholesale contamination of the air supplies serving urban dwellers everywhere. This is a problem which we in California have felt perhaps sooner and more acutely than other areas of the Nation. In our State population has doubled during the past 20 years, but our air supply has remained constant. The steady and unremitting outpouring of pollution from the almost infinite sources comprising a metropolitan complex has now exceeded the carrying capacity of the atmosphere. The air has become overburdened with contaminants and millions of people have fallen victim to the scourge of air pollution.

As severe as the problem has become in California, we are not its only victims. Last November the Surgen General of the United States convened the first National Conference on Air Pollution. Approximately 1,000 representatives from 41 States were told that air pollution respects no boundary lines—geographic, political, professional, or disciplinary. Reports delivered before that conference demonstrated that thousands—not hundreds—of communities throughout the United States have fallen prey to excessively polluted atmospheres. What is worse, the problem now seems to be far larger and more serious than anyone had imagined it to be.

Evidence that air pollution has killed and may even now be eating at the health of the Nation's urban dwellers is striking. Here are the facts as reported to that conference:

1. Physicians in Great Britain have demonstrated a relationship between chronic bronchitis and air pollution levels. Deaths from chronic bronchitis are significantly related to smog conditions and population density.

2. The appalling increase in the incidence of lung cancer in this Nation now seems partially traceable to the polluted atmospheres of urban areas.

3. In California the death rate from emphysema, a disease of the respiratory system, has almost quadrupled since 1950. The rate is about twice as high in cities as in rural areas, and there is a widespread belief among physicians that air pollution plays an important role in this disease.

4. Ten years ago air pollution killed 20 persons in Donora, Pa., and sickened thousands more. Later studies performed by the U.S. Public Health Service have shown that those sickened in the 1948 Donora smog attack have had poorer health and higher mortality rates than their neighbors who were unaffected by the episode.

Other evidence could be cited, but one compelling fact is apparent: Polluted atmospheres over our Nation's urban areas already constitute a leading public nuisance,

and there is good reason to believe that the nuisance now is becoming a killer.

In spite of all we have tried to do in California to stem the rising tide of air contamination, our smog conditions have worsened. In Los Angeles County alone 6 million people are affected by eye irritation, visibility-cutting haze, and abnormally high concentrations of nuisance-causing contaminants. In this single county live more people than are to be found in 43 States of the Union, and their health, their comfort, their property are threatened by a problem beyond their ability to solve. Why?

In Los Angeles County more has been done to curb the sources of air pollution than in any other spot on the face of the globe. More than $70 million has been spent to muzzle the stacks of industry, and more than $10 million is being spent annually to collect and bury the area's 14,000 tons of daily refuse. Because of antismog laws in force in that county, there probably are fewer open fires there today than there were when the huts and tepees of an Indian race dotted the great Los Angeles Basin.

But this vigorous and costly antipollution program has not yet been able to control the river of pollution thrown daily from the largest single source of air contamination—which is the 3 million automobiles registered in the county.

We cannot assert that the automobile is the only source of air pollution worthy of note, nor can we conclude that automobile exhausts are a problem in every city in the Nation. Almost all of our modern living habits result in some form of air pollution, and we must recognize the infinity of possible sources and the technical complexity of the problem. But Los Angeles has largely conquered the problems posed by other sources and auto exhaust-originated smog remains. From the smelting of metal to the painting of manufactured goods, industrial operations have been brought within the scope of the local air-pollution control program.

According to informed officials in Los Angeles, several thousand tailormade pollution controlling or destroying devices have been installed on industrial plants located there. As a result of experience in southern California, solutions to most of the urban air pollution problems in the United States now can virtually be bought off the shelf. No longer is there any excuse for excessive industrial air pollution in this Nation, assuming only that existing technical information is assembled in usable forms and made available to those areas and jurisdictions where it is required.

For the automobile, however, there is yet no practicable solution, and this is the nub of the problem. We must stimulate the finest scientific research that money can buy so that this problem may be solved speedily. Today the control of automobile exhausts is the key to the solution of the smog problem in Los Angeles and in an increasing number of other areas. In spite of this, the automobile, alone, has been immune from local air pollution control efforts.

Los Angeles is a county on wheels. Its 1,200 square miles of coastal plain has been developed on a pattern molded by the automobile. Its great freeway systems are equaled by no other area, and its streets are crowded with motor vehicles in numbers far surpassing even the wildest imagination. The entire 6 million population of the area could be placed, at any given moment, in the front seats of their family automobiles—with plenty of room left over.

The entire metropolitan area has been built around the concept of the automobile as the basic mode of transportation. They have created a market for motor vehicles that could spell the difference between profit or disaster for the automobile industry. They are as dependent on the automobile for their continued community existence as a soldier is upon his rifle. But give the soldier a weapon that backfires, that blinds him in the seering flash of its explosion, and the soldier will not realize his purpose. He will perish.

And so it is in Los Angeles County, in the heavily populated coastal plains of California, and in other vital and growing urban areas of the Nation. Their very existence as thriving communities is dependent on the use of the modern automobile. But that tail-finned monster of chrome now threatens to choke the air they breathe with the smog-forming contaminants ejected from the engine and thrown out of the tailpipe.

This is the great dilemma of our most serious form of urban air contamination.

By its very character, by its basic design, the modern automobile has become an instrument of terror and discomfort. For every gallon of gasoline placed in its tank, from 4 to 7 percent of the fuel is exhausted into the air as an unburned or partially burned smog-forming hydrocarbon. In Los Angeles County, approximately 70 percent of the demonstrated smog-forming contaminants thrown into the atmosphere are derived from the operation of motor vehicles. And the 6 million people will continue to suffer from persistently frequent and severe attacks of eye-irritating smog until the automobile is controlled. Until the exhaust systems of the motor vehicle are successfully muzzled, until the most colossal problem of "bad breath" in history is solved, these millions will continue to suffer.

Why? Is it because the automobile industry of this Nation, and to some degree the petroleum industry, have not yet fully met their responsibility for this problem? Is it because these industries have not yet kept faith with the public they serve? I was appalled by the alleged progress reports given by these industries to the National Conference on Air Pollution. I was not impressed by the meagerness of the research effort they described.

For example, I could not help but think it strange that the automobile industry whose gross annual sales total more than $20 billion should be spending less than $1 million per year to protect the public health and welfare from the growing menace of automotive exhausts. I thought it strange that less money should be spent to meet a basic and compelling responsibility to the consuming American public than is spent on a single television program.

Since that report was given to the National Air Pollution Conference, there has been reason for hope that the attitude of the automobile industry has changed, that their sense of responsibility has been sharpened, and that the tempo of their research effort has been increased. Encouraging reports of progress were presented in January by industry members to the annual meeting of the Society of Automobile Engineers. Perhaps the challenge of this problem now has been perceived, but the risks and dangers of government relying too greatly on mere words must be recognized.

I believe it is the responsibility of the automobile industry and the gasoline refiners to accept major responsibility for solving the problems created by their products. And it is the responsibility of government to see that these industries do in fact meet this challenge.

Under present laws our State and local governments bear the responsibility for the enactment and enforcement of control regulations. I have told you how, in my State, Los Angeles County has made supreme efforts to curb smog by local controls administered through a county air pollution control district. The State of California has joined the attack on smog through our State Department of Public Health and our State Department of Motor Vehicles. Gov. Pat Brown, in a special message to the legislature on February 10, 1959, recommended new State laws to impose strict standards on the discharge of motor vehicle pollutants and to establish an effective system of inspection and enforcement.

Two weeks ago—about April 15—the legislature passed and the Governor signed the first of these as an urgency measure—the Rees-Richards bill, senate bill 117, requiring the State Department of Public Health to develop and publish such standards prior to next February. The legislature also adopted Joint Resolution No. 4 memorializing Congress to extend the Federal air pollution control program. More forceful State legislation will follow.

But the State and local governments alone cannot successfully tackle this problem unsupported by their Federal Government. The automobile is a creature of interstate commerce. Its parts are drawn from here and there, assembled everywhere, and the ultimate product is used on every street and highway in the Nation. It may be that positive Federal restrictions ultimately will be required with respect to vehicles transported in interstate commerce.

In the meantime, as minimum Federal action we should extend the Federal air pollution control law by approving the legislation now before us. S. 441, which was introduced by Senator KUCHEL, Senator CLARK, and myself, as amended in committee, proposes to raise the limit on authorized Federal expenditures from $5 million to $7½ million annually, and to extend this authority through June 30, 1964, in order to finance a broader Federal program of research and assistance by the U.S. Department of Health, Education, and Welfare. Under this broadened authority the Surgeon General of the United States, for example, could promulgate national standards on exhaust emissions and recommend regulations to the States to prevent the occurrence of public health nuisances.

To extend and broaden this law is the very least we can do at the Federal level, if we are to continue to leave to the States the responsibility for corrective action in order to stop the ravages of modern-day air pollution.

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of Assembly Joint Resolution No. 4 adopted by the California Legislature, and a statement on community air pollution funds, issued by the Department of Health, Education, and Welfare.

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

ASSEMBLY JOINT RESOLUTION 4

Joint resolution relative to requesting Congress to authorize further appropriations for air pollution control.

Whereas the entire Nation has been benefited during the operation of the Federal air pollution control program since its inception in 1955; and

Whereas current authorization for Federal appropriations concerning research and investigation of the many problems relating to air pollution control extends only to June 30, 1960; and

Whereas the country will suffer a great loss in matters relating to our increasing national problems of air pollution control if this program is not extended: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is respectfully

memorialized to enact necessary legislation to authorize further appropriations for air pollution control; and be it further

Resolved, That the Department of Health, Education, and Welfare fully utilize all appropriations for air pollution control to achieve the goal of a full, comprehensive, and effective national program in air pollution research; and be it further

Resolved, That the chief clerk, of the assembly is directed to transmit copies of this resolution to each Senator and Representative from California in the Congress of the United States.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

Community air pollution funds

[In thousands of dollars]

	Fiscal year 1956	Fiscal year 1957	Fiscal year 1958	Fiscal year 1959	Fiscal year 1960
I. By function:					
Research	1,551	2,124	3,170	3,366	3,732
Direct PHS research	518	806	1,297	1,663	1,981
Federal contract research	423	475	672	682	708
Non-Federal contract research	130	313	501	432	453
Research grants	480	530	700	590	590
Technical assistance	131	371	525	395	295
Direct PHS operations	131	300	395	355	225
Demonstration project grants	0	71	130	40	70
Training	40	245	305	251	185
Direct PHS training	40	79	135	151	115
Training grants	0	166	170	100	70
Total	1,722	2,740	4,000	4,012	4,212
II. By program area:					
Medical activities	350	675	1,073	1,139	964
Engineering activities	892	1,298	1,927	2,083	1,781
Joint medical-engineering	480	767	1,000	790	1,467
Total	1,722	2,740	4,000	4,012	4,212
III. By method of financing:					
Grants	480	767	1,000	730	730
Contact research	553	788	1,173	1,114	1,161
Direct PHS operations	689	1,185	1,827	2,168	2,321
Total	1,722	2,740	4,000	4,012	4,212

EDWARD ARTHUR PATTERSON LAKE

The joint resolution (S. J. Res. 16) to designate the lake to be formed by the water impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota shall hereafter be known as "Edward Arthur Patterson Lake", and any law, regulation, document or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of "Edward Arthur Patterson Lake".

CONSTRUCTION OF BARDWELL RESERVOIR

The bill (S. 601) to authorize and provide for the construction of the Bardwell Reservoir was announced as next in order.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, in recent years parts of Texas have suffered both severe floods and serious drought. This embraces the area of the proposed Bardwell Reservoir.

Droughts have lowered the ground water table and reduced the supply in local wells. Meantime, domestic requirements have increased to such an extent that ground water supplies for municipal and industrial use are inadequate.

The provision of 29,500 acre-feet of conservation storage in the Bardwell Reservoir would, in addition to the benefits to be derived from flood control, assure a water supply for nearby municipalities and prevent a recurrence of the existing water shortage.

This proposal is part of a comprehensive plan for improvement of the Trinity River and its tributaries in Texas. The bill provides for construction and operation of the Bardwell Reservoir on Waxahachie Creek, in the Trinity River Basin.

The Waxahachie Creek watershed is subject to severe and intense storms. Average annual flood damage along Waxahachie and the adjacent Chambers and Richland Creeks has been estimated at $437,290.

The need for additional water supply is general throughout the area, but is urgent in the cities of Ennis, Corsicana, and Waxahachie.

According to the 1950 census, more than 2 million people live within a radius of 100 miles of the Bardwell Reservoir site, and more than 1 million live within a 50-mile radius.

Construction of the Bardwell Reservoir would provide a dependable water supply to meet the urgent municipal needs of that area.

In addition to affording recreational opportunities, the Bardwell Reservoir would perform two major functions, both of which are vitally needed:

First. Control of floods in the Waxahachie Creek watershed; and

Second. Conservation of surface runoff for beneficial use.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for modification of the comprehensive plan for improvement of the Trinity River and tributaries, Texas, to provide for construction of the Bardwell Reservoir on Waxahachie Creek, is hereby authorized in accordance with the recommendations of the Chief of Engineers as contained in House Document Numbered 424, Eighty-fifth Congress, at an estimated total cost of $6,922,000.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

CONSTRUCTION OF FIREPROOF ANNEX FOR USE OF GOVERNMENT PRINTING OFFICE

The Senate proceeded to consider the bill (S. 219) to provide for the construction of a fireproof annex building for the use of the Government Printing Office, and for other purposes, which had been reported from the Committee on Public Works, with amendments on page 1, line 7, after the word "including", to strike out "equipment" and insert "the mechanical equipment for the building"; and, in line 9, after the word "Plant", to insert "in accordance with plans to be approved by the Architect of the Capitol"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be constructed in accordance with plans to be prepared by the Administrator of General Services and approved by the Public Printer, a fireproof annex building for use of the Government Printing Office, including the mechanical equipment for the building, connections with the present Government Printing Office buildings and utilities, interconnections with the Capitol Power Plant in accordance with plans to be approved by the Architect of the Capitol, access facilities over or under public streets, other necessary appurtenances or facilities, and such mechanical and other changes in the present Government Printing Office buildings as may be necessitated thereby.

SEC. 2. (a) To carry out the purposes of section 1 of this Act, the Administrator of General Services is authorized to acquire on behalf of the United States, by purchase, condemnation, donation, transfer without reimbursement, or otherwise, such publicly or privately owned real property in the District of Columbia (including streets and alleys or parts thereof) as may be located in

the area extending west of the property line at the rear of the present Government Printing Office Building Numbered 3, along H Street west of North Capitol Street to the alley connecting G and H Streets and south to Jackson Alley, including that portion of Jackson Alley adjacent to the proposed site bordered on the south by present Government Printing Office property and to the north by lots numbered 823, 824, 47, 48, 49, 68, 67, and including the "T" shaped public alley bounded by lots 64, 65, and 66 on the north, lot 67 on the east, Jackson Alley on the south and lot 68 on the west, in square numbered 624 in the District of Columbia.

(b) Any proceeding for condemnation ordered under subsection (a) shall be conducted in accordance with the pertinent provisions of the Act entitled "An Act to provide for the acquisition of land in the District of Columbia for use of the United States," approved March 1, 1929 (16 D.C. Code, secs. 619–644).

(c) The Administrator of General Services is authorized to provide for the demolition and removal as expeditiously as possible of any buildings or other structures on, or constituting a part of, such real property as may be acquired under, or made available for the purpose of this Act.

(d) The Administrator of General Services is authorized to cause the building herein provided for to be constructed pursuant to the applicable provisions of the Act approved May 25, 1926 (44 Stat. 630), as amended, but without regard to the appropriation authorizations contained therein, and pursuant to section 401, title IV, of the Act approved June 16, 1949 (63 Stat. 198), except as otherwise provided herein.

SEC. 3. There is hereby authorized to be appropriated to the Government Printing Office such sums as may be necessary to carry out the purposes of this Act, and such sums may be available for transfer to the Administrator of General Services to remain available until expended.

The amendments were agreed to.

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

STATE-OWNED HYDROELECTRIC POWER PROJECTS

The bill (S. 114) to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to facilitate the development and construction of water conservation facilities by States and municipalities, and for other purposes", approved August 15, 1953 (Public Law 278, Eighty-third Congress, 67 Stat. 587; 16 U.S.C. 828) is hereby amended by deleting from section 3 thereof the following: ", except that the provisions of section 14 and section 4(b) shall continue to be applicable to any license issued for a hydroelectric development in the International Rapids section of the Saint Lawrence River".

Mr. ENGLE subsequently said: Mr. President, has Calendar 171, S. 114, dealing with State-owned hydroelectric power projects, been passed?

The PRESIDING OFFICER. That bill was passed.

Mr. ENGLE. Mr. President, I ask unanimous consent that the Senate reconsider its action in passing the bill.

Mr. KEATING. Reserving the right to object——

Mr. ENGLE. I had a request to ask that that bill go over so that another Senator may discuss it.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ENGLE. Mr. President, I withdraw my previous request for unanimous consent for reconsideration of the vote by which Calendar 171, Senate bill 114, was passed.

BILL PASSED OVER

The bill (H.R. 4601) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes, was announced as next in order.

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

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

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

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

The Chief Clerk proceeded to call the roll.

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

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

The clerk will resume with the call of the calendar.

MEASURES PASSED OVER

The bill (S. 455) to provide for the appointment of an assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of exchange of persons programs and administrative cooperation between staffs engaged in carrying out such programs, was announced as next in order.

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

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (H. Con. Res. 34) favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C., was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

EXTENSION OF TIME FOR FILING REPORT ON S. RES. 318, 85TH CONGRESS

The resolution (S. Res. 100) to extend the time for report on Senate Resolution 318 of the 85th Congress, relative to preservation and display of Senate documents and records was considered and agreed to, as follows:

Resolved, That S. Res. 318, Eighty-fifth Congress (as amended by S. Res. 72, Eighty-sixth Congress), establishing a special committee of the Senate to study and report with respect to preserving memorabilia of the Senate, is further amended by striking out "April 2" in section 4 and inserting in lieu thereof "June 30".

MARY CUNNINGHAM

The resolution (S. Res. 104) to pay a gratuity to Mary Cunningham was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mary Cunningham, sister of Henry Patrick Kiley, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS ON TRANSPORTATION PROBLEMS

The concurrent resolution (S. Con. Res. 22) to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Committee on Washington Metropolitan Problems, one thousand additional copies of the hearings held during the Eighty-fifth Congress entitled, "Transportation Problems in Maryland, Virginia, and the Washington Metropolitan Area."

PRINTING OF COPIES OF "CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES"

The joint resolution (H.J. Res. 301) providing for printing of copies of "Cannon's Procedure in the House of Representatives" was considered, ordered to a third reading, read the third time, and passed.

BARGAINING WITH PURCHASERS BY COOPERATIVE ASSOCIATIONS OF MILK PRODUCERS—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 753) to authorize cooperative associations of milk producers to

bargain with purchasers singly or in groups, and for other purposes, was announced as next in order.

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

Mr. KEATING. Mr. President, may we have an explanation of the bill from the authors of it?

The PRESIDING OFFICER. An explanation of the bill is requested.

Mr. JOHNSON of Texas. Mr. President, since the authors of the bill, the Senator from Vermont [Mr. AIKEN] and the Senator from Minnesota [Mr. HUMPHREY], are not immediately available, I ask unanimous consent that the bill go to the foot of the calendar, and I request the Senate aids to notify those two Senators.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN—BILL PASSED OVER

The bill (S. 690) to provide for the increased use of agricultural products for industrial purposes was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

MILK PROGRAM FOR CHILDREN—BILL PASSED OVER

The bill (S. 1289) to increase and extend the special milk program for children was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSTON of South Carolina subsequently said:

Mr. President, I should like to ask what disposition was made of Calendar No. 184, S. 1289, to increase and extend the special milk program for children?

The PRESIDING OFFICER. The bill was passed over.

Mr. JOHNSTON of South Carolina. Mr. President, I urge that the bill be scheduled for early consideration. It is especially necessary that we pass a bill such as this. This year it was necessary for us to pass an emergency bill to provide $3 million to take care of the milk program. From all indications in the hearings, we will need $2 million more, because of the increased population next year in the schools throughout the United States.

We have already gone into the program for 2 more years. The bill will be an enabling act. I should like to state to the Senate that year after year the Department of Agriculture has turned back money it did not use in this particular field.

I merely wanted to bring the situation to the attention of Senators.

Mr. ENGLE. The views of the Senator will be communicated to the majority leader and to the Policy Committee. I am sure the bill will be scheduled for consideration at an early date, as the Senater has requested.

Mr. JOHNSTON of South Carolina. I understand that the bill should not be passed by unanimous consent on the call of the calendar, but I wanted to make a brief explanation of the bill in order to get action on it as soon as possible.

Mr. PROUTY. Mr. President, I should like to explain to the distingushed Senator from South Carolina that we did not object to the bill on this side of the aisle.

BILLS PASSED OVER

The bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking, was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

OLIVER O. NEWSOME

The bill (H.R. 1691) for the relief of Oliver O. Newsome was considered, ordered to a third reading, read the third time, and passed.

OTIS PARKS AND OTHERS

The bill (H.R. 2063) for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey was considered, ordered to a third reading, read the third time, and passed.

MILO G. AND PATRICIA WINGARD

The bill (H.R. 2281) to provide for the payment of relocation expenses to Milo G. and Patricia Wingard was considered, ordered to a third reading, read the third time, and passed.

STERILON CORP.

The bill (H.R. 2295) for the relief of Sterilon Corp., was considered, ordered to a third reading, read the third time, and passed.

AMERICAN HYDROTHERM CORP.

The bill (H.R. 2603) for the relief of the American Hydrotherm Corp., was considered, ordered to a third reading, read the third time, and passed.

LOIS K. ALEXANDER

The bill (H.R. 2949) for the relief of Lois K. Alexander was considered, ordered to a third reading, read the third time, and passed.

HILARY W. JENKINS, JR.

The bill (H.R. 3095) for the relief of Hilary W. Jenkins, Jr., was considered, ordered to a third reading, read the third time, and passed.

VIRGINIA E. SPEER

The bill (H.R. 3939) for the relief of Virginia E. Speer was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF NUCLEAR WEAPON TESTS—RESOLUTION PASSED OVER

The resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapon tests was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ENGLE. Mr. President, I favor the resolution, and I hope it will be agreed to; but, by request, I ask that it go over for discussion at a later time.

The PRESIDING OFFICER. The resolution will be passed over.

T. V. CASHEN

The bill (H.R. 1411) for the relief of T. V. Cashen was considered, ordered to a third reading, read the third time, and passed.

POSTHUMOUS AWARD FOR SCIENTIFIC CONTRIBUTIONS MADE BY THE LATE PAUL M. TEDDER

The bill (H.R. 2099) to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder was considered, ordered to a third reading, read the third time, and passed.

VALIDATION OF PAYMENTS OF QUARTERS ALLOWANCES

The bill (H.R. 2975) to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy but which were subsequently determined to be inconsistent with applicable regulations was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN MEMBERS OF THE ARMED FORCES HELD AS PRISONERS IN KOREAN HOSTILITIES

The bill (H.R. 4121) for the relief of certain members of the Armed Forces of the United States, or their survivors who were captured and held as prisoners of war in Korean hostilities was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN MEMBERS AND FORMER MEMBERS OF THE NAVAL SERVICE

The bill (H.R. 4615) to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958

The bill (H.R. 4913) to amend the National Aeronautics and Space Act of 1958, to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

The Senate proceeded to consider the bill (S. 498) to extend the life of the Alaska International Rail and Highway Commission, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause and insert:

That the Act entitled "An Act to establish an Alaska International Rail and Highway Commission", approved August 1, 1956 (70 Stat. 888), as amended, is amended—

(1) by striking out subsection (a) of the first section and inserting in lieu thereof the following:

"(a) (1) six of the members of the Commission shall be Members of the Congress of the United States, at least one of whom shall be a member from the State of Alaska, and not more than four of whom shall be members of the same political party; and

"(2) four of the members shall be selected from the executive branch of the Government, of whom, if practicable, one shall be from the Department of the Army, to be designated by the Secretary of the Army, one from the Department of the Interior, one from the Department of State, and one from the Department of Commerce; and

"(3) three of the members shall be selected from the general public, one of whom shall be a resident of Alaska and one of whom shall be a resident of the Pacific Northwest region of the United States."; and

(2) by striking out section 7 and inserting in lieu thereof the following:

"SEC. 7. The Commission shall report the results of its studies and submit its recommendations to the Congress from time to time, and shall make a final report and submit its final recommendations to the Congress at the earliest practicable time, but in no event later than June 1, 1961. The final report shall include estimates of the cost of construction of rail and highway facilities along the routes determined most feasible and beneficial by the Commission, together with estimates of the economic benefits to the United States, Canada, and Alaska. The Commission shall cease to exist for all intents and purposes, and all authority conferred by this Act shall and does terminate thirty days after the date of the submission of the final report or on June 30, 1961, whichever date occurs first."

The amendment was agreed to.

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

The title was amended, so as to read: "A bill to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission."

INCORPORATION OF BLUE STAR MOTHERS OF AMERICA, INC.

The Senate proceeded to consider the bill (S. 1315) for the incorporation of the Blue Star Mothers of America, Inc., which had been reported from the Committee on the Judiciary, with amendments, on page 5, at the beginning of line 18, to strike out "Nation, during the emergency of World War II" and insert "United States in World War II or the Korean hostilities"; on page 8, after line 19, to strike out:

AUDIT OR FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by a certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. The certified public accountant, or his representatives, shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(b) The corporation shall file annually with the Comptroller General, in accordance with such regulations and upon such form as he shall prescribe, a complete statement of such annual audit, verified by the certified public accountant by whom the audit is made, for the fiscal year ending on June 30.

And, in lieu thereof, to insert:

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent public accountant of recognized standing in accordance with generally accepted auditing standards. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. The independent public accountant, or his representatives, shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

And, on page 10, at the beginning of line 4, to strike out "(c)" and insert "(b)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following named persons, to wit: Ann Clumfoot, Port Huron, Michigan; Audree Jonechat, Covina, California; Nettie Ludwig, Milwaukee, Wisconsin; Esther Beer, Mansfield, Ohio; Evelyn Lauritson, Cedar Falls, Iowa; Ethel Stevensen, Fresh Meadows, New York; Etta Drayton, Flint, Michigan; Evelyn Bednar, Milwaukee, Wisconsin; Edna Crorey, Grants Pass, Oregon; Erma Sweeney, Long Beach, California; Josephine Plant, Waterloo, Iowa; Dorothy Christensen, Flint, Michigan; Mary Tracey, Brooklyn, New York; La Vina Shope, Lima, Ohio; Olga Barnes, Roseburg, Oregon; Levia Jamison, Jamestown, Pennsylvania; Jean Williams, Port Orchard, Washington; Ida Alford, Little Rock, Arkansas; Edna May Standing, Orange City, Florida; Charlotte Cobb, Chatham, Massachusetts; Ann Sine Gale, Milwaukee, Wisconsin; Ann F. Fetting, Smiths Creek, Michigan; Irene Uhl, Rosemead, California; Hazel Rue Scott, Arlington, Virginia; Louise Meyerhoff, Queens Village, New York; Ivah Jones, Long Beach, California; Florence Brown, Pontiac, Michigan; Erma Hoffman, Columbus, Ohio; Nellie Leonhardt, Detroit, Michigan; and all past national presidents, and their successors, retiring or leaving their office in good standing, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Blue Star Mothers of America, Inc. (hereinafter referred to as the corporation), and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act, acting in person or by written proxy, are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF CORPORATION

SEC. 3. The purposes of the corporation shall be: To perpetuate the Blue Star Mothers of America, Inc., and the memory of all the men and women who have served our country as members of the Armed Forces; the further object of this organization shall be patriotic, educational, social, and for service; to maintain true allegiance to the Government of the United States; to educate our members and others not to divulge military, naval, or other Government information; to assist in veterans' ceremonies, to attend patriotic rallies and meetings; to foster true democracy; to care for the unsupported mothers who gave their sons to the service of the Nation; to aid in bringing about recognition of the need of permanent civilian defense for each community and to ever be alert against invasion of un-American activities; to uphold the American institutions of freedom, justice, and equal rights, and to defend the United States from all enemies.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the activities of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws; not inconsistent with the laws of the United States or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any public body or agency or any private corporation, association, partnership, firm, or individual and to hold absolutely or in trust for any of the purposes of the corporation any property,

real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount of or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, mortgage, encumber and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purpose of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws; and

(10) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 5. Eligibility: A mother, adopted mother, or stepmother (a stepmother eligible for membership in the Blue Star Mothers of America, Inc., can claim that eligibility only if she has given a mother's care to the stepchild from the age of thirteen or under), living in the United States, of a son or daughter serving in the Armed Forces of the United States, or having a son or daughter who has served, or has been honorably discharged from the Armed Forces of the United States in World War II or the Korean hostilities. The term "Armed Forces" shall include the United States Army; United States Navy; United States Marines; United States Air Force; United States Coast Guard; National Guard; United States Army Reserves; United States Navy Reserves; United States Marine Reserves; United States Air Force Reserves; United States Coast Guard Reserves; United States Naval Militia; merchant marines; and the armed home guards who have served on active duty.

GOVERNING BODY

SEC. 6. The supreme governing authority of the corporation shall be the national convention thereof, composed of such officers and elected representatives from the several States and other local subdivisions of the corporate organization as shall be provided by the constitution and bylaws: *Provided*, That the form of the government of the corporation shall always be representative of the membership at large and shall not permit the concentration of control thereof in the hands of a limited number of members or in a self-perpetuating group not so representative. The meetings of the national convention may be held in any State or Territory or in the District of Columbia.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation shall be selected in such manner and for such terms and with such duties and titles as may be prescribed in the constitution and bylaws of the corporation.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 8. The principal office of the corporation shall be located in the District of Columbia and shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the council of administration of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the council of administration who votes for or assents to the making of a loan or advance to any officer or employee of the corporation, and any officer who participates in the making of such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and agents as such shall not contribute to any political party or candidate for public office.

LIABILITIES FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national conventions and council of administration. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTION

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent public accountant of recognized standing in accordance with generally accepted auditing standards. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. The independent public accountant, or his representatives, shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(b) A report of such audit shall be made by the corporation to the Congress and not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

REPORT TO CONGRESS

SEC. 15. On or before March 1 of each year the corporation shall report to the Congress on its activities during the preceding fiscal year. Such report may consist of a report on the proceedings of the national convention covering such fiscal year. Such report shall not be printed as a public document.

USE OF NAME

SEC. 16. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, "Blue Star Mothers of America, Inc.", and no other organization shall use the name "Blue Star Mothers of America, Inc.". The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been used by the Blue Star Mothers of America.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 17. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the national executive board and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

The amendments were agreed to.

Mr. WILEY. Mr. President, this proposed legislation, as amended, would confer a Federal charter on the Blue Star Mothers of America, Inc.

The Blue Star Mothers of America is an organization dedicated to the memory of the men and women who have served the United States as members of the Armed Forces. This organization was incorporated in Wisconsin in 1942.

Membership in the organization is limited to mothers, adopted mothers, or stepmothers whose sons or daughters have served or have been honorably discharged from the Armed Forces of the United States in World War II or the Korean hostilities, or who have sons or daughters presently serving in the Armed Forces of the United States.

The Blue Star Mothers have today a membership of over 19,000, with 703 chapters located in practically every State of the Union.

Members of this organization work in Veterans' Administration hospitals on a volunteer basis, visiting and helping to care for the needs of ex-servicemen who are patients in these facilities. This organization has donated more than $30,000 to veterans' hospitals for surgical equipment.

Mr. President, I am very happy the bill will be passed, because it gives recognition to a group that has sought to get recognition. I might point out charters have been given to many other groups in America. I felt this group was a very worthy organization.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 1434) to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes, was announced as next in order.

Mr. WILLIAMS of Delaware. Over.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H.J. Res. 254) to authorize participation by the United

States in parliamentary conferences with Canada was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

LENDING OF CERTAIN MILITARY EQUIPMENT AND SERVICES TO BOY SCOUTS FOR USE AT WORLD JAMBOREE

The bill (H.R. 296) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the world jamboree of Boy Scouts to be held in the Philippines in 1959, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LOAN OF CERTAIN MILITARY EQUIPMENT AND SERVICES TO BOY SCOUTS FOR USE AT FIFTH NATIONAL JAMBOREE

The bill (H.R. 7) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

FINANCING OF NEW JET AND TURBOPROP AIRCRAFT

The Senate proceeded to consider the bill (S. 1368) to amend sections 503(a)(2) and 504 of the Federal Aviation Act of 1958, to facilitate financing of new jet and turboprop aircraft, which had been reported from the Committee on Interstate and Foreign Commerce with amendments, on page 2, line 13, after the word "interstate", to strike out "as, lessor" and insert "as lessor"; after line 22, to insert a new section, as follows:

SEC. 3. The proviso clause in section 503(d) of the Federal Aviation Act of 1958 is amended to read as follows:

"*Provided*, That an instrument recorded under section 503(a)(2) shall not be affected as to the engine or engines, or propeller or propellers specifically identified therein, by any instrument theretofore or thereafter recorded pursuant to section 503(a)(3).

And, on page 3, after line 5, to insert a new section, as follows:

SEC. 4. Clause (1) of section 503(f) of the Federal Aviation Act of 1958 is amended to read as follows:

"(1) the identifying description of the aircraft, aircraft engine, or propeller, or in the case of an instrument referred to in section 503(a)(3), the location or locations specified therein; and"

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of subsection 503(a) of the Federal Aviation Act of 1958 is amended to read as follows:

"(2) Any lease, and any mortgage, equipment trust, contract of conditional sale, or other instrument executed for security purposes, which lease or other instrument affects the title to, or any interest in, any specifically identified aircraft engine or engines of seven hundred and fifty or more rated takeoff horsepower for each such engine or the equivalent of such horsepower, or any specifically identified aircraft propeller capable of absorbing seven hundred and fifty or more rated takeoff shaft horsepower, and also any assignment or amendment thereof or supplement thereto;

SEC. 2. That section 504 of the Federal Aviation Act of 1958 is amended to read as follows:

SEC. 504. No person having a security interest in, or security title to, any civil aircraft, engine or propeller under a contract of conditional sale, equipment trust, chattel or corporate mortgage, or other instrument of similar nature, and no lessor of any such aircraft, engine or propeller under a bona fide lease of thirty days or more, shall be liable by reason of such interest or title or by reason of his interest as lessor or owner of the aircraft, engine or propeller so leased, for any injury to or death of persons, or damage to or loss of property, on the surface of the earth (whether on land or water) caused by such aircraft, engine or propeller, or by the ascent, descent, or flight of such aircraft, engine or propeller or by the dropping or falling of an object therefrom, unless such aircraft, engine or propeller is in the actual possession or control of such person at the time of such injury, death, damage, or loss."

SEC. 3. The proviso clause in section 503(d) of the Federal Aviation Act of 1958 is amended to read as follows:

"*Provided*, That an instrument recorded under section 503(a)(2) shall not be affected as to the engine or engines, or propeller or propellers specifically identified therein, by any instrument theretofore or thereafter recorded pursuant to section 503(a)(3).

SEC. 4. Clause (1) of section 503(f) of the Federal Aviation Act of 1958 is amended to read as follows:

"(1) the identifying description of the aircraft, aircraft engine, or propeller, or in the case of an instrument referred to in section 503(a)(3), the location or locations specified therein; and"

The amendments were agreed to.

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

The title was amended, so as to read: "A bill to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft."

BILL PASSED OVER

The bill (S. 226) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, was announced as next in order.

Mr. ENGLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

WONG BICK QUON (MARIA WONG)

The Senate proceeded to consider the bill (S. 178) for the relief of Wong Bick Quon (Maria Wong), which had been reported from the Committee on the Judiciary, with an amendment in line 7, after the words "United States", to insert a colon and "*Provided*, That the natural parents of Wong Bick Quon (Maria Wong) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

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, Wong Bick Quon (Maria Wong) shall be held and considered to be the natural-born alien child of Mrs. Mary Fong Chan, a citizen of the United States: *Provided*, That the natural parents of Wong Bick Quon (Maria Wong) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

STANISLAWA SIEDLECKA (REJMAN)

The Senate proceeded to consider the bill (S. 199) for the relief of Stanislawa Siedlecka (Rejman), which had been reported from the Committee on the Judiciary, with an amendment in line 3, after "101(a)(27)", to insert "(A)", so as to make the bill read:

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, the minor child Stanislawa Siedlecka (Rejman) shall be held and considered to be the natural-born alien child of Mrs. Katarzyna Siedlecka, a citizen of the United States: *Provided*, That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

ANGELINAS CUACOS STEINBERG

The Senate proceeded to consider the bill (S. 593) for the relief of Angelinas Cuacos Steinberg, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Angelinas Cuacos Steinberg, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of that Act, and the provisions of section 205 of that Act shall not be applicable in this case.

The amendment was agreed to.

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

SISTER MARY DAMION (MARIA SAVERIA D'AMELIO) AND OTHERS

The bill (H.R. 1535) for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi) was considered, ordered to a third reading, read the third time, and passed.

DIMITRIOS KONDOLEON

The bill (H.R. 1727) for the relief of Dimitrios Kondoleon (also known as James Kondolous) was considered, ordered to a third reading, read the third time, and passed.

GREAT LAKES BASIN COMPACT

The bill (S. 548) granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given, subject to conditions hereinafter set forth, to any and all of the States of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin to enter into a Great Lakes Basin Compact in the form as follows:

"GREAT LAKES BASIN COMPACT

"The party states solemnly agree:

"Article I

"The purposes of this compact are, through means of joint or cooperative action:

"1. To promote the orderly, integrated, and comprehensive development, use, and conservation of the water resources of the Great Lakes Basin (hereinafter called the Basin).

"2. To plan for the welfare and development of the water resources of the Basin as a whole as well as for those portions of the Basin which may have problems of special concern.

"3. To make it possible for the states of the Basin and their people to derive the maximum benefit from utilization of public works, in the form of navigational aids or otherwise, which may exist or which may be constructed from time to time.

"4. To advise in securing and maintaining a proper balance among industrial, commercial, agricultural, water supply, residential, recreational, and other legitimate uses of the water resources of the Basin.

"5. To establish and maintain an intergovernmental agency to the end that the purposes of this compact may be accomplished more effectively.

"Article II

"A. This compact shall enter into force and become effective and binding when it has been enacted by the legislatures of any four of the States of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin and thereafter shall enter into force and become effective and binding as to any other of said states when enacted by the legislature thereof.

"B. The Province of Ontario and the Province of Quebec, or either of them, may become states party to this compact by taking such action as their laws and the laws of the Government of Canada may prescribe for adherence thereto. For the purpose of this compact the word 'state' shall be construed to include a Province of Canada.

"Article III

"The Great Lakes Commission created by Article IV of this compact shall exercise its powers and perform its functions in respect to the Basin which, for the purposes of this compact, shall consist of so much of the following as may be within the party states:

"1. Lakes Erie, Huron, Michigan, Ontario, St. Clair, Superior, and the St. Lawrence River, together with any and all natural or man-made water interconnections between or among them.

"2. All rivers, ponds, lakes, streams, and other watercourses which, in their natural state or in their prevailing condition, are tributary to Lakes Erie, Huron, Michigan, Ontario, St. Clair, and Superior or any of them or which comprise part of any watershed draining into any of said lakes.

"Article IV

"A. There is hereby created an agency of the party states to be known as The Great Lakes Commission (hereinafter called the Commission). In that name the Commission may sue and be sued, acquire, hold and convey real and personal property and any interest therein. The Commission shall have a seal with the words 'The Great Lakes Commission' and such other design as it may prescribe engraved thereon by which it shall authenticate its proceedings. Transactions involving real or personal property shall conform to the laws of the state in which the property is located, and the Commission may by bylaws provide for the execution and acknowledgment of all instruments in its behalf.

"B. The Commission shall be composed of not less than three commissioners nor more than five commissioners from each party state designated or appointed in accordance with the law of the state which they represent and serving and subject to removal in accordance with such law.

"C. Each state delegation shall be entitled to three votes in the Commission. The presence of commissioners from a majority of the party states shall constitute a quorum for the transaction of business at any meeting of the Commission. Actions of the Commission shall be by a majority of the votes cast except that any recommendations made pursuant to Article VI of this compact shall require an affirmative vote of not less than a majority of the votes cast from each of a majority of the states present and voting.

"D. The commissioners of any two or more party states may meet separately to consider problems of particular interest to their states but no action taken at any such meeting shall be deemed an action of the Commission unless and until the Commission shall specifically approve the same.

"E. In the absence of any commissioner, his vote may be cast by another representative or commissioner of his state provided that said commissioner or other representative casting said vote shall have a written proxy in proper form as may be required by the Commission.

"F. The Commission shall elect annually from among its members a chairman and vice-chairman. The Commission shall appoint an Executive Director who shall also act as secretary-treasurer, and who shall be bonded in such amount as the Commission may require. The Executive Director shall serve at the pleasure of the Commission and at such compensation and under such terms and conditions as may be fixed by it. The Executive Director shall be custodian of the records of the Commission with authority to affix the Commission's official seal and to attest to and certify such records or copies thereof.

"G. The Executive Director, subject to the approval of the Commission in such cases as its bylaws may provide, shall appoint and remove or discharge such personnel as may be necessary for the performance of the Commission's functions. Subject to the aforesaid approval, the Executive Director may fix their compensation, define their duties, and require bonds of such of them as the Commission may designate.

"H. The Executive Director, on behalf of, as trustee for, and with the approval of the Commission, may borrow, accept, or contract for the services of personnel from any state or government or any subdivision or agency thereof, from any intergovernmental agency, or from any institution, person, firm or corporation; and may accept for any of the Commission's purposes and functions under this compact any and all donations, gifts, and grants of money, equipment, supplies, materials, and services from any state or government or any subdivision or agency thereof or intergovernmental agency or from any institution, person, firm or corporation and may receive and utilize the same.

"I. The Commission may establish and maintain one or more offices for the transacting of its business and for such purposes the Executive Director, on behalf of, as trustee for, and with the approval of the Commission, may acquire, hold and dispose of real and personal property necessary to the performance of its functions.

"J. No tax levied or imposed by any party state or any political subdivision thereof shall be deemed to apply to property, transactions, or income of the Commission.

"K. The Commission may adopt, amend and rescind bylaws, rules and regulations for the conduct of its business.

"L. The organization meeting of the Commission shall be held within six months from the effective date of this compact.

"M. The Commission and its Executive Director shall make available to the party states any information within its possession and shall always provide free access to its records by duly authorized representatives of such party states.

"N. The Commission shall keep a written record of its meetings and proceedings and shall annually make a report thereof to be submitted to the duly designated official of each party state.

"O. The Commission shall make and transmit annually to the legislature and Governor of each party state a report covering the activities of the Commission for the preceding year and embodying such recommendations as may have been adopted by the Commission. The Commission may issue such additional reports as it may deem desirable.

"Article V

"A. The members of the Commission shall serve without compensation but the expenses of each commissioner shall be met by the state which he represents in accordance with the law of that state. All other expenses incurred by the Commission in the course of exercising the powers conferred upon it by this compact, unless met in some other manner specifically provided by this compact, shall be paid by the Commission out of its own funds.

"B. The Commission shall submit to the executive head or designated officer of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

"C. Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. Detailed commission budgets shall be recommended by a majority of the votes cast, and the costs shall be allocated equitably among the party states in accordance with their respective interests.

"D. The Commission shall not pledge the credit of any party state. The Commission may meet any of its obligations in whole or in part with funds available to it under Article IV (H) of this compact, provided that the Commission takes specific action setting aside such funds prior to the incurring of any obligations to be met in whole or in part in this manner. Except where the Commission makes use of funds available to it under Article IV(H) hereof, the Commission shall not incur any obligations prior to the allotment of funds by the party states adequate to meet the same.

"E. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under the bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"F. The accounts of the Commission shall be open at any reasonable time for inspection by such agency, representative or representatives of the party states as may be duly constituted for that purpose and by others who may be authorized by the Commission.

"Article VI

"The Commission shall have power to:

"A. Collect, correlate, interpret, and report on data relating to the water resources and the use thereof in the Basin or any portion thereof.

"B. Recommend methods for the orderly, efficient, and balanced development, use, and conservation of the water resources of the Basin or any portion thereof to the party states and to any other governments or agencies having interests in or jurisdiction over the Basin or any portion thereof.

"C. Consider the need for and desirability of public works and improvements relating to the water resources in the Basin or any portion thereof.

"D. Consider means of improving navigation and port facilities in the Basin or any portion thereof.

"E. Consider means of improving and maintaining the fisheries of the Basin or any portion thereof.

"F. Recommend policies relating to water resources including the institution and alteration of flood plain and other zoning laws, ordinances, and regulations.

"G. Recommend uniform or other laws, ordinances, or regulations relating to the development, use, and conservation of the Basin's water resources to the party states or any of them and to other governments, political subdivisions, agencies, or intergovernmental bodies having interests in or jurisdiction sufficient to affect conditions in the Basin or any portion thereof.

"H. Consider and recommend amendments or agreements supplementary to this compact to the party states or any of them, and assist in the formulation and drafting of such amendments or supplementary agreements.

"I. Prepare and publish reports, bulletins, and publications appropriate to this work and fix reasonable sale prices therefor.

"J. With respect to the water resources of the Basin or any portion thereof, recommend agreements between the Governments of the United States and Canada.

"K. Recommend mutual arrangements expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of Canada including but not limited to such agreements and mutual arrangements as are provided for by Article XIII of the Treaty of 1909 Relating to Boundary Waters and Questions Arising Between the United States and Canada. (Treaty Series, No. 548.)

"L. Cooperate with the Governments of the United States and Canada, the party states and any public or private agencies or bodies having interests in or jurisdiction sufficient to affect the Basin or any portion thereof.

"M. At the request of the United States, or in the event that a Province shall be a party state, at the request of the Government of Canada, assist in the negotiation and formulation of any treaty or other mutual arrangement or agreement between the United States and Canada with reference to the Basin or any portion thereof.

"N. Make any recommendation and do all things necessary and proper to carry out the powers conferred upon the Commission by this compact, provided that no action of the Commission shall have the force of law in, or be binding upon, any party state.

"Article VII

"Each party state agrees to consider the action the Commission recommends in respect to:

"A. Stabilization of lake levels.

"B. Measures for combating pollution, beach erosion, floods, and shore inundation.

"C. Uniformity in navigation regulations within the constitutional powers of the states.

"D. Proposed navigation aids and improvements.

"E. Uniformity or effective coordinating action in fishing laws and regulations and cooperative action to eradicate destructive and parasitical forces endangering the fisheries, wildlife and other water resources.

"F. Suitable hydroelectric power developments.

"G. Cooperative programs for control of soil and bank erosion for the general improvement of the Basin.

"H. Diversion of waters from and into the Basin.

"I. Other measures the Commission may recommend to the states pursuant to Article VI of this compact.

"Article VIII

"This compact shall continue in force and remain binding upon each party state until renounced by act of the legislature of such State, in such form and manner as it may choose and as may be valid and effective to repeal a statute of said state, provided that such renunciation shall not become effective until six months after notice of such action shall have been officially communicated in writing to the executive head of the other party states.

"Article IX

"It is intended that the provisions of this compact shall be reasonably and liberally construed to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the Constitution of any party state or of the United States, or in the case of a Province, to the British North America Act of 1867 as amended, or the applicability thereof to any state, agency, person, or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any state, agency, person, or circumstance shall not be affected thereby, provided further that if this compact shall be held contrary to the Constitution of the United States, or in the case of a Province, to the British North America Act of 1867 as amended, or of any party state, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters."

SEC. 2. Nothing contained in this Act or in the compact consented to hereby shall be construed to affect the jurisdiction, powers, or prerogatives of any department, agency or officer of the United States Government or of any international commission or agency over or in the Great Lakes Basin or any portion thereof, nor shall anything contained herein be construed to establish an international agency or to limit or affect in any way the exercise of the treatymaking power or any other power or right of the United States. In carrying out its functions under this Act the Commission shall be solely a consultative and recommendatory agency which shall cooperate with the agencies of the United States and shall report annually to the Congress and to the President or to any official designated by the President, make available to the Federal Government any information within its possession and always provide free access to its records by duly authorized representatives of that Government. The consent herein granted does not extend to paragraph B of article II or to paragraphs K and M of article VI of the compact; and consent is granted with respect to paragraph L of article VI of the compact subject to the following conditions: (1) cooperation shall be extended to and carried on with the Government of Canada or any of its subdivisions only through or with the approval of the Department of State; (2) cooperation with an international commission or agency having jurisdiction in the basin shall be extended only to the United States section thereof and in such manner as the section may direct; and (3) proposals to any such international commission or agency shall be submitted only to the United States section thereof and shall be submitted to that section only through the Government of the United States. The consent herein granted is on condition that recommendations under article VI, paragraphs B and G, shall not be made to any foreign government or subdivision thereof and that recommendations to international bodies or agencies shall be made through the Department of State.

SEC. 3. (a) A Federal representative to the Commission shall be appointed by the President, and shall report, in writing to the Senate, the House of Representatives, and to the President either directly or through such agency or official of the Government as the President may specify. Such representative shall have all the rights and privileges of any other member of the Commission except that he shall have no vote. (b) The Federal representative shall receive compensation and shall be entitled to travel expenses, including per diem in lieu of subsistence, in the same manner as provided for experts and consultants under sections 5 and 15 of the Administrative Expenses Act of 1946 and the Travel Expense Act of 1949, except (1) that his term of service shall be governed by the terms of this Act and shall not be affected by the time limitations of said section 15, and (2) his per diem rate of compensation shall be in such amount, not in excess of $100, as the President shall specify, but the total amount of compensation payable in any one calendar year shall not exceed $15,000: *Provided*, That if the Federal representative be an employee of the United States he shall serve without additional compensation: *Provided further*, That a retired military officer or a retired Federal civilian officer or employee may be appointed as such representative, without prejudice to his retired status, and he shall receive compensation as authorized herein in addition to his retired pay or annuity but the sum of his retired pay or annuity and such additional compensation as may be payable hereunder shall not exceed $15,000 in any one calendar year. (c) The Federal representative shall be provided with office space, consulting, engineering, and stenographic service, and other necessary administrative services. (d) The compensation of the Federal representative shall be paid from the current appropriation for salaries in the White House Office, or for staff assistance for the President in connection with special projects. Travel and other expenses provided for in subsections (b) and (c) of this section shall be paid from any current appropriation or appropriations selected by the head of such agency or agencies as may be designated by the President to provide for such expenses.

SEC. 4. The right to alter, amend, or repeal this Act is expressly reserved.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, AS AMENDED

The bill (S. 1197) to amend the Atomic Energy Act of 1954, as amended was announced as next in order.

Mr. KEATING. Mr. President, may we have an explanation of the bill?

Mr. ENGLE. Mr. President, this bill amends section 251 of the Atomic Energy Act of 1954, as amended, by deleting the words "and July" in the first sentence thereof. The first sentence of section 251 now provides that the AEC shall submit to the Congress, in January and July of each year, a report concerning the activities of the Commission. This amendment, in subtance, provides that the Commission shall in the future submit such report only in January and not also in July, and thus on an annual, rather than a semiannual basis.

Mr. KEATING. I thank the Senator for his explanation.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1197) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 251 of the Atomic Energy Act of 1954, as amended, is amended by deleting the words "and July" in the first sentence thereof.

AUTHORIZATION FOR APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

The bill (S. 1228) to amend Public Law 85–590, to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, was announced as next in order.

Mr. KEATING. Mr. President, may I ask for an explanation of this bill, also?

Mr. ENGLE. Mr. President, this bill amends Public Law 85–590, the AEC Authorization Act for the current fiscal year 1959, to increase the authorization for project 59–c–5, phermex installation, Los Alamos, N. Mex., from $2,250,000 to $3,550,090, or a net increase of $1,300,000.

This amendment is just an increase in the authorization for the single project 59–c–5, and does not increase the total amount authorized by Public Law 85–590.

Mr. KEATING. I thank the distinguished Senator for his explanation.

I understand the bill was reported unanimously from the Joint Committee on Atomic Energy. Is that a correct understanding?

Mr. ENGLE. The Senator is correct. The bill was requested by the Atomic Energy Commission. The letter of the Commission and an unclassified analysis of the project are printed in the committee report, on pages 2 and 3 thereof.

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

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

U.S. ATOMIC ENERGY COMMISSION,
February 24, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: I have submitted today to the Speaker of the House of Representatives and the President of the Senate proposed legislation which would amend the 1959 authorization act (Public Law 85–590) to increase the amount authorized for project 59–c–5, phermex installation, Los Alamos, N. Mex., to $3,550,000 from $2,250,000.

The increase of $1,300,000 is attributable to a sharp rise in the cost of components, the need for considerably more monitoring and control equipment than had been originally anticipated and changes in machine design to insure more satisfactory performance. No change is being made in the scope of the project. Since even greater emphasis must be placed upon nonnuclear methods of development during a test moratorium, the need for the phermex installation becomes more compelling than at the time the project was originally requested.

Copies of the proposed legislation and the unclassified analysis of the project are enclosed. Copies of the classified analysis will be furnished separately to your staff.

Sincerely yours,

H. S. VANCE,
Acting Chairman.

59–c–5. Phermex installation, Los Alamos, N. Mex., $3,550,000:

This project will provide a weapons diagnostic facility consisting of laboratory and power control buildings, phermex chamber, detection chamber and X-unit pad. This facility will be located in a remote technical area at Los Alamos.

During the past year the Los Alamos Scientific Laboratory has continued development work to improve the machine design. As a result of the more definitive information developed by this continual study, the estimated cost of the project has been increased by $1,300,000 over the amount authorized by Public Law 85–590. The higher estimate is attributable to a sharp rise in the cost of components, the need for considerably more monitoring and control equipment than had been originally anticipated and changes in machine design to insure more satisfactory performance.

The AEC also furnished the Joint Committee a classified statement containing additional information justifying this project which is necessarily classified because of the defense information and restricted data which it contains.

In a hearing held in executive session before the Subcommittee on Legislation on February 27, 1959, the following representatives of the AEC testified in support of this project: Mr. A. R. Luedecke, general manager; Brig. Gen. A. D. Starbird, director of the division of military application; and Mr. Don S. Burrows, controller. The testimony indicated that the project was ready for construction, and that the Commission considered it important for its atomic weapons development program.

COMMENTS OF THE JOINT COMMITTEE

1. Public Law 85–590 contains in section 102 certain limitations on the authority of the Commission to start projects authorized by section 101. Insofar as project 59–c–5 is concerned, it was provided that the Commission was authorized to start this project only if the currently estimated cost does not exceed by more than 25 percent the estimated cost set forth in the act, $2,250,000. Inasmuch as the current estimated cost is now $3,550,000, the increase of $1,300,000 is more than the maximum allowable 25 percent. Thus the Commission is not authorized to start project 59–c–5 without amendment to Public Law 85–590. The Commission has stated that the increase is attributable to the sharp rise in the cost of components, the need for considerably more monitoring and control equipment than had been originally anticipated, and changes in machine design to insure more satisfactory performance.

2. The Joint Committee recommends that this bill be considered and enacted by the Congress as soon as possible, in order that this project, important to our atomic weapons program, may proceed as expeditiously as possible.

CHANGES IN EXISTING LAWS

In accordance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill accompanying this report are shown as follows (new matter is printed in italic, and deleted matter is shown in brackets):

"PUBLIC LAW 85–590

"SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (1) of the Atomic Energy Act of 1954, as amended, the sum of $386,679,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

"* * * * * *

"(c) ATOMIC WEAPONS.—

"* * * * * *

"5. Project 59–c–5, phermex installation, Los Alamos, N. Mex., [$2,250,000] *$3,550,000.*"

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1228) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(c) of Public Law 85–590 is amended by striking therefrom the figure "$2,250,000" for project 59–c–5, phermex installation, Los Alamos, N. Mex., and by inserting in lieu thereof the figure "$3,550,000".

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES

The bill (S. 895) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, was announced as next in order.

Mr. KEATING. Over, Mr. President.

I will say, Mr. President, that we have not had an opportunity to study any bills which may be on the calendar, from this point on.

The PRESIDING OFFICER. The bill will be passed over.

The clerk will state the bill at the foot of the calendar.

BARGAINING WITH PURCHASERS BY COOPERATIVE ASSOCIATIONS OF MILK PRODUCERS

The bill (S. 753) to authorize cooperation associations of milk producers to

bargain with purchasers singly or in groups, and for other purposes, was announced as next in order.

Mr. ENGLE. Over, by request, Mr. President.

Mr. AIKEN. Mr. President, I understood that an explanation of the bill was desired.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. I can understand perhaps why the Senator from California might want to have the bill go over. As originally introduced, the bill would have applied to all cooperative asssociations. There was rather strenuous objection from some of the cooperative group associations on the Pacific Coast, because of fear that passage of the bill would not work out to their advantage. Therefore, the bill was changed to apply to milk marketing cooperatives only.

The need for the bill is that under the law, the Capper-Volstead Act, the cooperative associations which do business in a marketing agreement area may get together and sit down with a distributor to bargain in relation to the distribution of milk, and all the cooperatives may get together and bargain with the distributor, but then under the Robinson-Patman Act they have to give the same identical terms to every other distributor and have to deal with the distributors one by one. For that reason, the process becomes rather expensive and it is a rather cumbersome way of doing business in a milk marketing area where there is a Federal order.

The bill would permit these groups to bargain with more than one handler at a time, because they have to give them all the same identical terms, whatever the terms may be.

The bill has been changed. It was amended in the committee last year, I believe, so as to prohibit strictly any discussion of resale prices of the milk. That was to overcome an objection on the part of the Department of Justice.

After those things were done, the bill was passed by the Senate last summer, without any opposition; but failed of passage in the House.

Under one law the milk cooperatives have to do one thing, and under another law they are constantly in trouble if they try to do it in the most efficient manner.

Mr. ENGLE. Mr. President, I have no personal objection to the bill, but by request, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

That concludes the call of the calendar.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOUGLAS. I ask unanimous consent that the Chair lay before the Senate the unfinished business.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1959

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "4–28–59—A."

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 31, it is proposed to strike out lines 10 through 18.

Mr. DOUGLAS. Mr. President, this amendment is directed toward eliminating the additional appropriation of $283,000 for furniture, and so forth for the new Senate Office Building. It should be remembered that last year when this question was before the Senate, an appropriation of $1 million was requested. I moved at the time that this figure be cut in half, and stated that in my judgment, $1 million was an excessive figure. I urged that instead of all the offices in the new building being equipped with new furniture, a large portion of the used furniture from the Old Senate Office Building be transferred to the new building. The final result was that the appropriation for $1 million was approved although that amount represented $300,000 less than was originally requested.

This year the Architect of the Capitol, Mr. J. George Stewart, came forth with a request that $293,000 additional be appropriated for furniture. This request, if granted, would, of course, practically bring the total appropriation to the $1,300,000 which was requested last year, which request the Senate Committee rejected and reduced to $1 million.

The Senate Committee on Appropriations this year has reduced the request of the Architect of the Capitol by $10,000, but retains a request for a further appropriation of $283,000.

Upon close inspection of the testimony of Mr. Stewart, under cross-examination by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Mississippi [Mr. STENNIS], it appears that $113,000 of this amount is to provide additional furniture in 40 office rooms of the new building, $150,000 is to provide carpets in 207 rooms, at an average cost of approximately $750 per room per carpet. It is these major items which I believe should be eliminated from the bill. I should like to point out for the sake of the record what every Senator knows, that the corridors of the Old Senate Office Building are jammed with the furniture which has been taken out of the offices in that building, and which apparently is not to be used in the new building.

I mentioned on the floor of the Senate yesterday the results of the census which I had taken of the furniture. We had a count made yesterday. We found in the corridors and in the attic of the Old Senate Office Building 375 desks. That ought to be enough to provide furniture for 40 offices. We found 215 steel filing cabinets. That number would provide five filing cabinets to an office. We also found 400 chairs. That would make 10 chairs to an office. I mentioned the fact that there were also bookcases in the corridors, but I did not mention the number, because I had not then taken a census. However, I have had a census taken this morning, covering the four floors of the Old Senate Office Building. We found 85 bookcases there.

Therefore we have ample furniture, more than enough, to equip the 40 offices. There is no necessity whatever to spend $113,000 for furniture.

Now $150,000 is requested for carpets. The Architect of the Capitol, Mr. J. George Stewart, and the architects whom he has engaged for the building, were supposed to exercise great ingenuity in laying out the offices. They provided that the inner office of each Senator's suite should have a carpet, and the other offices were to have very fine rubber tile on the floor. The tile has been put in at great expense. Now it is claimed that the rubber tile is so dangerous that it is necessary to have carpets put down over it, at a cost of $750 per carpet. That is $150,000 more. There are other items, too, which are not needed, because we have on hand 85 bookcases, and there is no need for additional steel bookcases.

Therefore, this whole appropriation is unnecessary. At a time when the administration is making appeals to us to balance the budget, I believe it ill behooves the Architect of the Capitol, appointed by the President, and who holds his office at the pleasure of the President, to come forward with this request for expenditures for luxurious equipment.

Mr. President, this is not an issue between the Senator from Illinois and the Appropriations Committee. Last night I paid sincere tribute to the members of the Committee on Appropriations, particularly the distinguished Senator from Arizona, the committee chairman [Mr. HAYDEN], and I also paid tribute to the very able chairman of the subcommittee, the Senator from New Mexico [Mr. CHAVEZ]. They can in no sense be held responsible for what is going on. They are busy men. The Architect of the Capitol works at this job day in and day out with his staff assistants, and I believe, to say the least, he has not been economical in the expenditure of public funds.

This is only a part of the general program the Architect of the Capitol is carrying out. He was largely the moving spirit behind the construction of another House Office Building. Its exact cost is not certain, but this morning's Washington Post states it is to be $64 million. It will be interesting to see whether this figure will increase as the work progresses.

Mr. Stewart was largely responsible for the building of the new Senate Office Building, which initially was promised to cost only $20,600,000, but which now will cost over $25 million, and which, with the request for $750,000 more for construction and equipment in the new

building, the request for $283,000 for furniture, the request for $4 million for completing the subway, and bringing it across the road, and for the construction of a terminal which will rival the Moscow subway, will cost only $5 million more or a total of over $30 million.

Therefore, if we approve the program of the Capitol Architect, we will have an expenditure of $30,500,000. And the end may not be yet. I say that because in the testimony which the Architect gave before the subcommittee it was apparent that he would like to redevelop the north or Senate wing, and that he also has designs on the House wing. We know that he is reconstructing the central portion of the Capitol at a cost of at least $17 million.

Therefore, the Architect of the Capitol has mapped out a gigantic program. What we are really trying to do is to help the members of the Committee on Appropriations, who are busy men dealing with many other things, to resist the blandishments of the Capitol Architect. I say that this is not a case of the Senator from Illinois versus the Appropriations Committee in any sense. It is a case of the people of the United States versus the bureaucracy of the Eisenhower administration.

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

Mr. DOUGLAS. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I warmly commend the Senator from Illinois for the pending amendment and for the series of amendments which I understand he intends to call up. This is not an easy or pleasant thing to do, but it is essential and important that it be done.

I also commend the Senator from Illinois for his remarks about the Committee on Appropriations. I read his speech of last night, in which he emphasized the fact that the Appropriations Committee has done an outstanding job, and a very thorough job. Service on the Committee on Appropriations is perhaps the most onerous and difficult work in the Senate. The members of the committee have done an extremely good job. I am sure that the amendments offered by the Senator from Illinois are offered in a spirit of constructiveness and in an attempt to try to improve somewhat the excellent work which the members of the committee have already done.

It is extremely important for U.S. Senators, who believe in economy, to set a good example themselves. As I understand, the furniture to which the Senator has referred is for the use of Senators and their staffs.

Mr. DOUGLAS. That is correct. And it is also for use by committees.

Mr. PROXMIRE. And committees also, on which, of course, the Senator serves.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. In the second place, I should like to ask the Senator from Illinois whether there has been any reply to him to the effect that the furniture is obsolete or cannot be used. I refer to the furniture which he found in the corridors and in the attic of the Old Senate Office Building.

Mr. DOUGLAS. Of course, it has been used. It was used until the last few days. It was used in the present or Old Senate Office Building. I have such furniture in my own office. I believe that furniture, like wine, improves with age. The old chairs are more comfortable than the new chairs. The old couches are more comfortable than the new ones. The old desks are perfectly adequate.

Mr. PROXMIRE. Can the Senator from Illinois, with his fertile imagination, think of anything which would justify the new furniture on the ground that it will provide better service for the increased taxes which will result?

Mr. DOUGLAS. No; I think it is sheer waste.

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

Mr. DOUGLAS. I yield.

Mr. CHAVEZ. Before any furniture was decided upon for the new building, a questionnaire was sent to each and every Senator. The new furniture was not forced upon Senators. They were asked in the questionnaire whether they wanted to move to the new building and also whether they wanted to take with them their old furniture, or to have new furniture provided.

Seventy-two percent of the Senators who answered wanted to move to the new building and to have new furniture. That was the only reason why the buying of new furniture was recommended.

Mr. DOUGLAS. This is a new Congress. There are many new Senators. When the new Senators came here, they did not commit themselves on a questionnaire. Apparently 28 percent of the Senators who answered the questionnaire, plus some of the other Senators, did not want new furniture. Since there are some 300 offices in the new building, this furnishing of 40 offices really refers to only 13 percent of the offices.

So I think under my proposal it will be possible to provide the simple life for those who like simplicity and will not force upon them the expenditures of the unwilling and imprudent; namely, luxury and extravagance.

Mr. CHAVEZ. A number of the senior Senators are remaining in the old building. I do not know how many rooms the Senator from Illinois has at the moment.

Mr. DOUGLAS. I have six.

Mr. CHAVEZ. I know the Senator is going to have two additional rooms assigned to him.

Mr. DOUGLAS. I will have two additional rooms assigned to me, after having handled a large volume of work for 10 years with only four offices.

Mr. CHAVEZ. I think the Senator is entitled to the additional rooms.

Mr. DOUGLAS. I thank the Senator from New Mexico. I am happy with the old furniture.

Mr. CHAVEZ. I know the Senator is. Everyone of those rooms has a rug in it, and has had it.

Mr. DOUGLAS. If the Senator from New Mexico thinks there is danger of slipping, I will allow him to have the rugs taken up from my offices and transferred to the New Senate Office Building, to be laid there.

Mr. CHAVEZ. No one denies the sincerity of purpose or the honesty of the Senator from Illinois. But, after all, certain committees have certain responsibilities given to them by law. There is a reason why all these things have been done. In connection with the extension of the Capitol, it was carried in the Legislative Appropriation Act of 1956.

Public Law 242, 84th Congress, provides for the extension, reconstruction, and replacement of the central portion of the Capitol in substantial accordance with an approved architectural plan, but "with such modifications and additions, including provision for restaurant facilities, and such other facilities in the Capitol Grounds, together with utilities, equipment, approaches, and other appurtenant or necessary items, as may be approved by said Commission."

Mr. DOUGLAS. Will the Senator from New Mexico forgive me for interrupting him? I think he is reading from the authorization for the changes in the central portion of the Capitol, not the authorization for the new office building.

Mr. CHAVEZ. That is correct.

Mr. DOUGLAS. I am one of those who voted against that authorization, but I do not think what I am now discussing relates to that.

Mr. CHAVEZ. It has to do with the tunnel to which the Senator from Illinois has referred.

Mr. DOUGLAS. I shall come to the tunnel in another amendment; for the moment I am speaking about furniture, carpets, et cetera.

Mr. CHAVEZ. Referring to furniture, whether the Senators who answered the questionnaire are now Members of the Senate or not, they were then Senators of the United States. Seventy-two percent of them, after they were asked, stated that they wanted to move into the new building, and that they wanted new furniture. Many Senators discussed the question with their office personnel—typists, clerks, and administrative assistants. The personnel informed their respective Senators that they wanted new furniture. The committee was only trying to carry out the desires of the Senators.

Mr. DOUGLAS. I think another vote should be taken on this question, so that the Senate as a whole can pass upon the matter. The 86th Congress has a number of new Senators. Some of them may be of a different mind.

Mr. CHAVEZ. I am glad there are new Senators here. The project of the new Senate Office Building was started by a predecessor of the Senator from Illinois.

Mr. DOUGLAS. That is correct; the man whom I defeated for the Senate.

Mr. CHAVEZ. Probably on that idea.

Mr. DOUGLAS. No, no; that was not an issue in the campaign.

Mr. CHAVEZ. Or on that justification. Nevertheless, it was started in 1949, but the start of the project was delayed so often that it became neces-

sary to wait until 1954. At that time, costs had risen. That is why the costs for the construction and furnishing of the new building have been so high. But the furniture was not forced on Senators at all.

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

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. I was talked into moving into the new office building by my staff when I was in Wisconsin. When I returned and found I had been moved, I was most unhappy about it and changed my mind, but too late. I think one of the prerogatives of the office of a Senator is that a Senator may change his mind once in awhile. I should like to change my mind with respect to the questionnaire which was circulated. I ask the Senator from Illinois whether he has any knowledge that such a questionnaire has been circulated with respect to carpets. My office is now in the new office building. Four of the five rooms of my suite are not carpeted. I presume the proposal before the Senate now is to carpet those rooms.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. I, myself, think it would be bad for a number of reasons.

Mr. DOUGLAS. Carpeting would be bad.

Mr. PROXMIRE. I think carpeting would tend to destroy attractiveness of appearance. I think the additional expense of $150,000 to lay carpets, without asking Senators about it, would be an extravagance.

Mr. DOUGLAS. I think it would make the Senate look ridiculous, very frankly. We should all care sufficiently for the good reputation of the Senate not to take such action.

I had hoped that the members of the committee would withdraw their requests, because, frankly, I think they have been talked into this by the Architect of the Capitol. I do not see any reason why we should defend his bureaucracy. The Architect of the Capitol is not chosen by either Congress or those who elect the Members of Congress; he is appointed by the President. He holds office at the pleasure of the President. His appointment does not have to be confirmed by Congress.

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

Mr. DOUGLAS. I yield.

Mr. AIKEN. Would not the Senator agree to an appropriation large enough to paint some attractive, lively murals on the walls of the tunnel between the Old Senate Office Building and the New Senate Office Building?

Mr. DOUGLAS. I think there is much to be said for paintings around the Capitol. I think they would perhaps cover up some of the other atrocities. I have often thought the walls could be used for paintings; but the trouble is that when such a suggestion is made, everyone has a different idea of what is art. I once got into a very unhappy experience on that subject when I helped to arrange for the decoration of some Midwestern post offices. There is always a controversy between the traditionalists and the modernists, between the classicists and the neoclassicists, between the portrait painters and the landscape painters. So it is very difficult to determine the kind of paintings to be used, and also where the portraits shall come from. The Senator from Vermont comes from a State which has some very eminent painters—at least, they spend their summers in Vermont.

Mr. AIKEN. They spend winters there, too. Even a snow scene would be better than the present drab walls. When one walks through the tunnel now he gets the impression that a chair may be waiting for him at the other end.

Mr. DOUGLAS. One of the paintings I like is of Mount Equinox. I would be glad to see a painting of Mount Equinox, if we could have one of the Dunes, as well.

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

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. Although this is a small item, it is one of great importance, because it will reduce the expense of the U.S. Senate. This is a proposal for spending made by an officer appointed by the administration.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. Appointed by the President of the United States.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. The position of the Democratic Senator from Illinois is that the proposal is wasteful.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. So the Senator from Illinois feels that we should not only oppose wasteful spending, but that we should accomplish, in practice, economy on ourselves and in our own offices.

Mr. DOUGLAS. That is correct.

And I hope our good friends on the Appropriations Committee, on both the Democratic side and the Republican side, will disavow this attempt to use them to help obtain expenditures for luxurious items.

Mr. CHAVEZ. Mr. President, if the last argument made by the Senator from Illinois had not convinced me that he is wrong, I might agree with him. But he is willing to spend money to have pictures of landscapes painted on tunnel walls, although he is not willing to have carpets placed in the new building, so the girls in the offices will not break their legs.

Mr. DOUGLAS. I meant to say that the paintings should be donated; and I am willing to subscribe to a fund for decorating the walls. I will start the fund right now; I will give $20 for a good mural.

In fact, I will make another offer: I will offer to buy rubber heels for every clerk, male or female, in the 250 offices; and if the Senator from New Mexico will send me the foot measurements of his clerks, I will send the heels to him tonight.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. AIKEN. I wish wholeheartedly to endorse the offer the Senator from Illinois has made for the purchase of heels for all employees who work in the Senate Office Building—because, although he may not know it, in one town in Vermont more heels are manufactured than in all the rest of the country put together. In that town, soles are made, too.

Mr. DOUGLAS. I was going to ask whether Vermont had the record for the number of heels which it produces.

Mr. AIKEN. That is correct; more heels are made in that one town than in all the rest of the country put together—and they are for sale.

Mr. DOUGLAS. That is a dubious distinction.

Mr. AIKEN. I think the offer was dubious, too. [Laughter.]

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I thank the Senator from Illinois for yielding to me.

It is very laudable of the Senator from Illinois to try to purchase rubber heels and soles for the girls who work in the Senate Office Building.

Mr. DOUGLAS. I do not think it is at all necessary, but I am willing to do it.

Mr. CHAVEZ. Let the Senator from Illinois try to do it, and let him see how many acceptances he will get. Evidently, he does not know the girls.

Mr. DOUGLAS. A second argument which has been advanced is that the electric typewriters make so much noise that it is necessary to install carpets, in order to deaden the sound. But there is already good insulation on walls and the ceiling.

Mr. CHAVEZ. For the moment, I shall confine my remarks to the suggestion about heels.

Mr. DOUGLAS. I am not an expert on that subject.

Mr. CHAVEZ. Two girls in the Senate Office Building already have broken their legs while they were working there.

Mr. DOUGLAS. What are their names?

Mr. CHAVEZ. I do not recall their names. But they had to go to the hospital.

Mr. DOUGLAS. Did they break their legs, or did they just fall? Many women have fallen, you know—although not in the Senate Office Building.

Mr. CHAVEZ. My point is that we do not want the young women who work in the Senate Office Building to be injured in any way.

Mr. DOUGLAS. I do not think there is any danger; I think it is a safe building—safe physically and safe morally. I repudiate the suggestion of the Senator from New Mexico.

Mr. CHAVEZ. No; the suggestion which was made was that the Senator did not want anyone to fall in the Senate Office Building.

Mr. DOUGLAS. The Senator from New Mexico is very solicitous.

Mr. CHAVEZ. Yes, I am. I have a good office force. I am very proud of those who work for me. I never saw harder work done anywhere in Washington than the work that is done by the young women who work for the Members of Congress.

Mr. DOUGLAS. But I do not think they need $150,000 worth of carpets.

Mr. CHAVEZ. They do not have the benefit of 8-hour laws or NRA hours. If the Senator for whom they work wants them to work until 8 or 9 o'clock in the evening, they will be there. Some of them work until 10 or 12 o'clock at night.

Mr. DOUGLAS. This is not an attack on the office force of the Senate. It is an attempt to save money for the taxpayers, because throughout the country people are in trouble; and many of those who are in trouble are compelled to pay Federal taxes that, if we are not careful, will be wasted. So we have the obligation to be economical.

Mr. CHAVEZ. Of course. But the Appropriations Committee also has an obligation.

This supplemental appropriation bill is not the creature of any particular member of the committete. The bill comes from the whole committee. The chairman of the committee, the Senator from Arizona [Mr. HAYDEN], presided over the committee's consideration of the bill. I participated in the consideration of the items in regard to the new office building and the so-called tunnel. I also participated in the consideration of the items which affect the Department of Defense. Other Senators who are on the committee worked on the items which affect other departments.

So the bill which has been reported to the Senate by the committee is the work of the whole committee. We worked on the bill in the best faith. The bill as we have reported it calls for appropriations of $82 million less than the amounts called for by the budget; and I do not think that is a very small amount of money.

Mr. DOUGLAS. Let me say to my good friend, the Senator from New Mexico, that I was very careful, both last night and in the beginning of my remarks today, to make it clear that I was not reflecting in the slightest on the members of the Appropriations Committee. I do not want the Senator from New Mexico to try to make my amendment appear to be an attack upon their integrity, their devotion to the country, or anything of the kind.

Mr. CHAVEZ. I do not so regard it.

Mr. DOUGLAS. But all Members of the Senate who vote for the passage of the bill will, in essence, approve all the items contained in it. If my amendment is rejected, that will mean that Senators approve of this appropriation of $283,000; and then, when we return to our States, we shall have to defend our action, because this is a democracy.

Personally, I do not think an item of this kind can legitimately be defended. I would hate to be asked, when I was in Illinois, "Why did you vote for spending money for furniture which was not needed and for carpets on floors which already are expensive—because they already have rubber tiling?"

Mr. CHAVEZ. If the Senator from Illinois will permit me to speak further, let me say there are better floors in the old Senate Office Building, because those floors are marble. Nevertheless, there are carpets on them.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Yes; I am very glad to yield to my very dear friend, the Senator from North Dakota, whom all of us love. If anyone is in trouble, he can be certain that the Senator from North Dakota will come to his or her aid. Moreover, there is a touch of mischief in the Senator from North Dakota. So I await with interest what he is going to say.

Mr. LANGER. I want to come to the aid of the Senator from Illinois, because I think he is in trouble. [Laughter.]

Some years ago, before I was reelected, I conceived the idea of taking back to North Dakota, with me, the desk I had in my office in the Senate Office Building. Therefore, I had it appraised; I wanted to know what I would have to pay for that old desk. To my surprise, it was appraised at $800.

As I understand from reading the newspapers, there are scores of these desks. Can the Senator tell me the number?

Mr. DOUGLAS. Yes; there are 375 good desks in the corridors and in the attic.

Mr. LANGER. I am talking about the desks that Senators use. Mine was appraised at $800. And, even then, those in charge said they would not sell it, because they could not replace it.

Mr. DOUGLAS. The Senator from North Dakota is talking on my side of the issue.

Mr. LANGER. Yes, I am talking on the Senator's side; I am helping him.

Mr. DOUGLAS. Good.

Mr. LANGER. Because I think he is absolutely right. I do not see how we can go before the taxpayers and justify the purchase of scores and scores and scores of expensive new desks, when we already have all those desks available for use. I do not know of any Member of this body who would not be able to use one of those old desks?

Mr. DOUGLAS. I thank the Senator from North Dakota.

Does not he also believe that the chairs we have are good, too?

Mr. LANGER. They certainly are.

Mr. DOUGLAS. Four hundred of them are stacked up. Could not they be moved into the new offices? And there are 85 good wooden bookcases. They do not need to be scrapped and to be replaced with steel bookcases, do they? And there are 215 steel filing cases, each with 4 drawers.

Mr. LANGER. I wish to say that both the Republican platform and the Democratic platform called for economy. Here we have a chance to show that we are really in favor of economy. So I shall support the amendment of the Senator from Illinois.

Mr. DOUGLAS. As always, the Senator from North Dakota is the friend of the underdog.

Mr. CHAVEZ. Mr. President, I recall that at one time Secretary Wilson made a reference to kennels and dogs. So there is nothing wrong there.

In reference to the desks which now are piled up in every corridor of the Old Senate Office Building, let me say to the Senator from Illinois that as soon as the two extra rooms are made available to Senators, after the reconstruction work is done, every one of those desks will be used in those rooms. They are not to be given away to anyone, or sold. They are to be put back in the rooms of the Old Senate Office Building.

Mr. DOUGLAS. I already have my old desk and chairs. I believe Senators in the new building, with the exception of some of their rooms, already have their desks and chairs. What the Senator is asking is that we equip all the offices in the new building with new furniture. I am saying now, as I said last year, that I think we should utilize a large portion of the old furniture, instead of scrapping it and throwing it away.

Mr. CHAVEZ. I do not doubt the sincerity of purpose of the Senator from Illinois——

Mr. DOUGLAS. I do not doubt the sincerity of purpose of the Senator from New Mexico, so we are even.

Mr. CHAVEZ. I do not doubt a word the Senator says. I am trying to explain why the action complained of was taken. I have absolutely no quarrel with the argument of the Senator from Illinois, because I know he believes in what he is urging——

Mr. DOUGLAS. Why does not the Senator support me, then? I will withdraw my amendment and the Senator can offer the amendment, if he cares to.

Mr. CHAVEZ. Oh, no.

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

Mr. DOUGLAS. I yield.

Mr. LANGER. I was not present, but I understand there was some discussion about the tunnel yesterday.

Mr. DOUGLAS. Yes. I am coming to that in a moment.

Mr. LANGER. We are trying to run the whole world, and countries all over the earth. We have American boys sticking their noses into every country of the world except Russia and the satellite countries. Yet we are not smart enough to build a tunnel from the Capitol to the Senate Office Building. Is that correct?

Mr. DOUGLAS. I think the Senator is completely correct. The tunnel is a blind alley. I shall come to that subject later. Right now I want to stick to the subject of furniture.

Mr. LANGER. I want the Senator to know I am going to aid him in the tunnel amendment also.

Mr. DOUGLAS. Good for the Senator.

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

Mr. DOUGLAS. Yes.

Mr. CHAVEZ. If we want to save money, there are many ways in which we can do so. In the same bill, the committee restored $100 million for foreign aid. The Senator is not willing to provide real necessities for our offices in order that the service Senators render may be facilitated, but he possibly will vote for the restoration of the $100 million. The Senator could save $100 million on that item.

Mr. DOUGLAS. The request for the restoration of the $100 million was made

by the President. Indeed, the restoration was less than he requested. He wanted $125 million. The committee restored $100 million. I may say that although I have been a supporter of foreign aid, I am in doubt as to how I am going to vote this time. I am tired not only of waste, but I am sick and tired of supporting the administration on foreign aid measures and then finding that the Republican Party and the Republican administration, because I supported this administration on foreign aid, accuse me of being a wild spender. So do not count me necessarily as a supporter of the foreign aid appropriation. I am in doubt as to how I shall vote. But I should like to point out that it has nothing to do with the subject of furniture. The "flowers that bloom in the spring tra-la" have nothing to do with the question of furniture.

Mr. CHAVEZ. The question does have something to do with it, because the item is in the bill, and the Senate will come to it eventually. The committee was not willing to give $2 million to the State of West Virginia so that people there could be put to work. There are about 60,000 miners out of work. Yet, money is provided in this bill to build a dam in Taiwan.

Mr. DOUGLAS. If the Senator is willing to eliminate the item for furniture and furnishings and apply the $283,000 for the relief of unemployed, I would be willing to withdraw both amendments and propose to provide that the money should be used for the distribution of food in West Virginia and Kentucky.

Will the Senator agree to that?

Mr. CHAVEZ. I would be glad to provide for such relief.

Mr. DOUGLAS. Would the Senator agree to put the $4,283,000 which is involved in a fund to purchase surplus food and distribute the food to the people of West Virginia and Kentucky?

Mr. CHAVEZ. I will tell the Senator why I will not agree.

Mr. DOUGLAS. Oh. [Laughter.]

Mr. CHAVEZ. The Senator does not want waste, and I am for——

Mr. DOUGLAS. Does the Senator mean he is for waste?

Mr. CHAVEZ. I am against the waste of money we appropriate.

Mr. DOUGLAS. Oh.

Mr. CHAVEZ. We have spent probably as much as we are going to get for the new tunnel. If the new tunnel is not completed, it will come to a dead end and will be a complete waste.

Mr. DOUGLAS. I will not speak about it until later, except to say that the Architect of the Capitol has apparently tried to confront us with an accomplished fact, and has not observed due caution and architectural commonsense in the laying out of the tunnel, but, instead, has brought the tunnel to about 100 feet from the Senate wing of the Capitol. He now wants about $4 million to complete it.

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

Mr. DOUGLAS. I yield.

Mr. LONG. I hope the Senator realizes there is more than one way to waste money. The tight money, high interest rate policy of the present Administration has cost this country about $8 billion in taxes. That policy has cost probably 1,000 times as much as the total savings which would have been effected had the amendments the Senator has offered to reduce expenditures of the Government been enacted. The Senator has been quoted as advocating the high interest policies. Those policies have resulted in costing the people of this Nation about $15 billion each year. It operates as hidden taxes on the masses of our people.

Mr. DOUGLAS. I may say that the quotations which have been used by Secretary Humphrey have embarrassed me, too. First I am held up as a wild spender. Then I am called a fiscal savior. I will discuss the question later of whether the Federal Reserve Board should support the bond market and keep the interest rates artificially low; but the Senator from Louisiana and the Senator from New Mexico are trying to lead us away from the issue now before the Senate. The issue is whether the Senate should spend $283,000 for furniture and carpets which are not needed. That is the issue.

I am pained to see my fellow Democrats pulling the chestnuts out of the fire for the Architect of the Capitol, Mr. J. George Stewart, a Republican, who was nominated by a Republican President, and not confirmed by the Senate, who holds office at the will of the President. I am pained to see my fellow Democrats rush to his defense.

Mr. LONG. If the Senator would restrict his amendment to providing that no Republican's office shall have carpets, I might be willing to go along, but I expect to vote to have the rugs where secretaries of Democrats are going to be walking in the offices.

Mr. DOUGLAS. I do not think we should spend $150,000 for those rugs. I do not believe in it.

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

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. If we may get back to a pertinent matter——

Mr. DOUGLAS. It would be welcome, indeed, to get back to something pertinent.

Mr. PROXMIRE. Something has been said which, if it can be verified, would have great influence on me. The implication was made that if the $113,000 for additional furniture is not provided, then staff assistants in the offices of Senators would be without desks, chairs, or necessary files. If that is not true, if the furniture referred to by the Senator from Illinois is sufficient to cover all the needs of Senators' offices, then I would enthusiastically support his position. I do not know how any Senator could be against it.

Mr. DOUGLAS. I may say that on page 1163 of the hearings there is a statement on the construction of the additional Senate office building. Cross-examination about that matter appears on succeeding pages.

There has already been spent, for furniture and furnishings, roughly, nearly a million dollars. On page 1176 of the hearings there is a list of the items, by contractor and by method of awarding the contract. The total is almost a million dollars, so that much has been spent on furniture already.

There are 40 offices which have not been equipped with new furniture. My proposal is to take the surplus of used furniture and put it into the 40 offices and committee rooms.

Mr. PROXMIRE. The position of the Senator from Illinois, as I understand it, is that since the size of staff has not changed much, with only two Senators more than there were last year, the million dollars should be adequate to provide all the necessary furniture we need for roughly the same sized staff and two more Senators' offices. That is the two additional Senators from Alaska. Is that a correct understanding?

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. That seems to be sensible.

Mr. DOUGLAS. As a matter of fact, I do not think a million dollars was needed, to begin with.

Mr. PROXMIRE. I agree with the Senator.

Mr. DOUGLAS. I proposed that we cut the million dollars to $500,000.

Mr. CHAVEZ. Mr. President, the original request was for $1,350,000.

Mr. DOUGLAS. The Senator is correct.

Mr. CHAVEZ. The committee decided that the work could be done for a million dollars. After we went forward, we found that the million dollars would not adequately furnish the building. That is the explanation.

Mr. DOUGLAS. The million dollars would not furnish new furniture for every person who works in the new office building. My point is that some of the used furniture, which has been taken out of the offices in the old building, could be transferred to the new building. That is my position.

Mr. CHAVEZ. I will say to the Senator once again, with regard to the old furniture, that every piece of furniture presently there is going to be used in the Old Senate Office Building. If we want to furnish the new offices in the new building, we will have to provide new furniture. All the furniture which can be seen in the hallways will be used.

Mr. DOUGLAS. All I can talk about is what I know concerning my corridor, which is one-sixteenth of the building. The offices along that corridor, so far as I can tell, already have furniture in them. I have an adequtae supply of furniture in my six rooms. The furniture is perfectly adequate. However, there are hundreds of pieces in the hall, and some in the attic.

Mr. CHAVEZ. The largest suites in the old building were probably four rooms. It is contemplated that every Senator in the old building shall now have six rooms.

Mr. DOUGLAS. Senators already have that much room. The point is that in some offices previously the clerks were packed very closely together, and will not be packed as closely together in the future.

Mr. CHAVEZ. That is correct.

Mr. DOUGLAS. Therefore, there are surplus desks which have been moved out into the hall.

For instance, in one of my offices previously I had five assistants and now there are three. In another office I had five assistants, and now there are two. The surplus stock would have been moved out into the hall, except that we moved it laterally along the line into the new offices. We have equipped our six offices, I think, with identically the same furniture we had before. Therefore the furniture which was formerly in the two additional rooms I have is now surplus.

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

Mr. DOUGLAS. I am happy to yield.

Mr. LANGER. I understood the Senator from New Mexico to say that each Senator in the old building would have six rooms.

Mr. CHAVEZ. That is correct.

Mr. LANGER. I have been robbed. I have only five rooms.

Mr. CHAVEZ. I will tell the Senator why: he does not watch over the situation. [Laughter.] The Senator should have kept in touch with the Senator from Arizona [Mr. HAYDEN] and the Senator from New Hampshire [Mr. BRIDGES], who belong to the group which assigns the rooms.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

FOREIGN AID

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point an editorial published in today's Wall Street Journal.

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

A PROPOSAL ON FOREIGN AID

One thing that makes U.S. foreign aid such a difficult issue to debate is that almost anything you say about it is true.

The U.S. aid program has done sensible things, and it has done foolish things. It has spent money efficiently, and it has spent wastefully. Among its administrators are men energetic and level-headed, and men who are boondogglers and dunderheads. It has been a boon to foreign countries, and it has been a bane to them. It has made us friends abroad, and it has lost them. It has thus advanced the interests of the United States, and it has done those interests injury.

We have lately had a close look at U.S. foreign aid ourselves, in places as varied as the advanced nations of Europe and the so-called backward nations of Southeast Asia, and it would not be difficult to marshal evidence for any of these views.

This explains, we think, why it has been possible for reasonable men to argue that our present gigantic aid program must be preserved intact. Or to argue that all foreign aid is sheer nonsense better abandoned altogether.

Yet it seems to us that the truth is neither the one nor the other. And it also seems to us that the task of finding it begins with the separation of the general question of whether there is a point in any foreign aid and the question whether the U.S. foreign aid program as presently conceived and executed is a sensible one.

Foreign aid is not necessarily condemned by condemning the present program. Nor, conversely, is the present program—$5 billion a year in some 70 countries—justified simply by justifying some uses for foreign aid.

For what they may contribute to the present debate, we will set down our own views. They are:

First, that there are circumstances today in which realism suggests that the United States can use foreign aid, economic or military, to promote its own best interests.

Second, that the present foreign aid program has lost touch with those realities and should be abandoned.

And third, that to find a foreign aid program manageable in size and reasonable in concept it will first be necessary to abolish the International Cooperation Administration, in fact as well as in name.

Foreign aid is one of the oldest, and at times one of the most useful, instruments of foreign policy.

Its origins probably reach farther back into history than history records, but it was certainly used extensively by the Romans in their day, by the British, French and other European powers, by the Russians in the days of the Czars and the Chinese in the days of the Emperors. In every case, the purpose and the objective has been straightforward: One country, by giving aid to another country, hoped to create or to preserve a state of affairs favorable to itself and saw some reasonable prospect that the aid would accomplish its purpose.

Today there are places in the world where this practical principle may apply to the United States. At least it is plain that without U.S. aid, military and economic, there would now be no such country as the Republic of Korea.

The critic of all foreign aid can argue whether the price paid was worth the gain. He would be hard put to argue that the aid in these cases did not have clear objectives against a measurable danger and a reasonable prospect of accomplishment—that is, that the aid could be disciplined by practical judgments.

It was on this principle that our foreign aid program was started and that, at the time of Greece and Turkey, it was supported by this newspaper.

But today our foreign aid program is something else again. From the premise that some foreign aid can be useful, our government has jumped to the conclusion that almost all foreign aid is justifiable. Foreign aid has ceased to be a precision tool of foreign policy and has become instead a program of "uplift" in all parts of the world. It is in this change that it has become unhinged from reason.

We no longer limit ourselves to giving some help, say, to Thailand that will strengthen its government or its people in resisting the military and diplomatic threats of Red China. Even in extending self-interest to generosity, we are not content with some modest aid that might attain some modest improvement in the Thai economy. We undertake to reshape the whole country, its agriculture, its industry, its public works, its schools, and even its customs and way of living.

In short, we no longer discipline ourselves in giving aid by hard, practical judgments on the point of danger, or on what we hope to accomplish or whether there is a reasonable prospect of accomplishing it. This gives our foreign aid program unattainable objectives, limitless costs, and accounts for practically all of its troubles.

Those troubles—the foolish spending, the waste, the graft, the irritation of the recipients with their benefactors—hardly need to be chronicled here. The point is that these are symptoms, not the real malady. The fundamental difficulty is in the concept of the foreign aid program, which makes all these things inevitable and buries what good there might be in foreign aid under an avalanche of errors.

The way back, it seems to us, must begin with a new sense of proportion on foreign aid, both as to the times and places where we will give aid and the manner in which we will give it.

This means abandoning the idea that the U.S. Treasury is a cornucopia for any country just because it is undeveloped, or backward or in financial troubles or could use some U.S. dollars. There's hardly any country in the non-Communist world that wouldn't fit such a loose standard; hardly any, in fact, that doesn't fit it now, and it is patently ridiculous for the United States to undertake to support some 70 countries.

It means, even when we do decide to aid some country, that we use some precision in what kind of aid we give for what purposes. Military aid to Korea, with a Red army across the border, is one thing; military aid to a South American country is something else again.

It means an insistence that the country can profitably use such aid as we do give and that it is willing to do its part.

And this means in practically every case that we turn from grants to loans, from the sweeping general program to consideration of specific projects, from sending hordes of American planners to sending a few technical advisers to help a country carry out its own plans in its own way, if we decide the plans are worth our helping at all.

We do not suppose that these will be easy decisions to make; in fact, the decisions will be harder than under the type of program we now have where many decisions are avoided by embracing nearly every kind of foreign aid almost anyplace.

But we are convinced that a program approached in this way will cost a fraction of what it now costs the U.S. taxpayer, that it will gain us flexibility in our foreign policy, and that in this fashion we may have a foreign-aid program that works to our own best interest instead of being, as it now too often is in too many places, a monstrous liability.

We are also now convinced that this is an impractical hope unless we first abolish the ICA.

This seems to us a prerequisite for two reasons. First, what is needed here is a completely new beginning which would replace the whole concept on which ICA is based. Secondly, under the concept of foreign aid we are now discussing, an organization like ICA would be unnecessary.

Once we turn from grants to loans, from U.S. planned projects to indigenous projects, from limitless to limited objectives, there will no longer be a need for a vast bureaucracy with swarms of oversea missions to replan the economy of these foreign countries.

And once we restore foreign aid to its role as an instrument of foreign policy, rather than as a program for uplift, there is not even need for a vast administrative machinery in Washington. The direction of it, and the primary policy decisions, could be made where other foreign policy is directed, in the State Department, with such military aid as may be necessary still handled by the Defense Department.

We recognize that even with this approach there will be some multiplication of offices. But it will help to correct what we are now persuaded was the fundamental error, the creation of a special organization to dispense foreign aid.

This is, indeed, the nub of the matter. An organization whose sole function is to give foreign aid is bound to proliferate plans and programs for spending because it has no other way to justify its existence. This is what has happened. A mission is sent to country X to "see what we can do for them" and by that process of bureaucratic cellular growth there sprout divisions to help on education, on roads, on public health or whatever. These need other divisions for housekeeping and soon the whole needs an office manager, a manager to manage the car pool and the secretary pool, a manager to manage personnel living facilities and so on ad infinitum.

And it is simply not realistic to ask the education division, for example, to re-think itself out of existence. Or the mission as a whole to replan its program around a concept that will in effect liquidate its reason for being.

Ours is, perhaps, a drastic proposal. But we think too much of the debate on foreign aid has been on an all-or-nothing basis. The public is being asked to endorse all of what we are doing now, in exactly the way we are now doing it, or to abolish foreign aid altogether. Faced with that choice, it is very difficult to make any kind of reasonable case for continuing the foreign aid program at all.

Yet what we really need is a reappraisal of what foreign aid can do to serve our best interests—and what it cannot do—as an instrument of foreign policy. And we are not likely to succeed in that until we are willing to scrap the present set-up and make a fresh beginning.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HAYDEN. Mr. President, I wish to invite the attention of the Senator from Illinois to some facts which he may have overlooked. From 200 to 250 employees of the Senate, who are attached to committees and subcommittees, have been moved into the two Senate Office Buildings. Most of them had been occupying quarters in buildings known as the Securities and Exchange Commission Building and the Home Owners Loan Corporation Building at the foot of Capitol Hill. They were rented quarters. By bringing those employees up to the Senate Office Buildings, we cease paying rent to other Government agencies.

The Committee on the Judiciary had the following subcommittees located elsewhere than in the office buildings: Internal Security, Antitrust and Monopoly, Constitutional Rights, Juvenile Delinquency, Patents and Trade Marks, Refugees and Trading With the Enemy.

The Subcommittee on Preparedness of the Committee on Armed Services, of which subcommittee the distinguished senior Senator from Texas [Mr. JOHNSON] is the chairman, also was located in rented quarters, as was a subcommittee of the Committee on Interior and Insular Affairs.

In addition, we have brought back to the Senate Office Buildings the indexers, who formerly occupied space in the Government Printing Office. It is now much more convenient for Senators to maintain contact with them.

Also, the Select Committee on Small Business, which is now practically a standing committee of the Senate, and the Joint Economic Committee, of which the Senator from Illinois is chairman, were located away from the Senate Office Buildings. All of the personnel of those committees are now being brought up from outside offices and placed either in the Old or the New Senate Office Building, where they are located much more conveniently for the service of Senators.

Naturally, it was necessary to provide furniture for these employees.

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

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Arizona yield to the Senator from Illinois?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. Is it not true that the members of the staffs of those subcommittees had furniture in the places where they previously worked?

Mr. HAYDEN. Yes.

Mr. DOUGLAS. Why did they not bring their furniture with them?

Mr. HAYDEN. My understanding is that some of it was rented furniture; it did not belong to the Senate. The Senate rented quarters and used some furniture borrowed from other departments of the Government.

Mr. DOUGLAS. Both furniture and quarters were rented?

Mr. HAYDEN. That is my understanding.

Mr. DOUGLAS. I do not want to embarrass the Senator from Arizona by asking these questions, because he really is not the person involved; it is the Architect of the Capitol. What does the Architect of the Capitol plan to do with the 385 desks, 400 chairs, 215 filing cabinets, and 85 wooden bookcases, which are now in the corridors of the Old Senate Office Building and in the attic? I think they can be used to furnish the rooms of the suites of Senators and committees. That is my whole case.

Mr. HAYDEN. I think most of the articles of the nature which the Senator mentioned will be returned to the old rooms after the rooms have been painted.

Mr. DOUGLAS. I think that as every Senator has become settled, there has been a thinning out of the equipment. Equipment which had been accumulating in four rooms is now placed in five or six rooms. What has happened is that Senators who have moved out of the old building have had their old furniture placed in the halls, and when they moved into the new building they received new furniture at a cost of a million dollars.

Mr. HAYDEN. And each of the Senators who take their places will occupy five rooms in the building and will use the same furniture, after the rooms are painted.

Mr. DOUGLAS. I understand that. But are not most of the suites painted now?

Mr. HAYDEN. They are being painted. As I walk along the corridors I see many rooms which are not yet painted, and I see the furniture in the halls outside. And as I see the rooms painted, I see the furniture returned to the rooms.

Mr. PROXMIRE. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Wisconsin?

Mr. HAYDEN. I yield.

Mr. PROXMIRE. The Senator said there were 275 people in the Securities and Exchange Building.

Mr. HAYDEN. I said there were about 200 or 250 employees in the Securities and Exchange Building and the Home Owners Loan Building.

Mr. PROXMIRE. Does the Senator from Arizona have the figures for the number of indexers?

Mr. HAYDEN. There are very few.

Mr. PROXMIRE. Twenty or thirty or so?

Mr. HAYDEN. No; less than half a dozen.

Mr. PROXMIRE. So, altogether, the total would be approximately 300 additional persons; is that correct?

Mr. HAYDEN. Perhaps.

Mr. PROXMIRE. One million dollars has been spent on furniture so far, after being appropriated last year; and now the request is for an additional $283,000; is that correct?

Mr. HAYDEN. That is furniture for the new building. The old furniture we have is used in the old building.

Mr. PROXMIRE. As I understand, the only ones who will need new furniture are, first, those the Senator from Arizona has just listed, who at the present time use rented furniture, and who would have permanent furniture; and, second, the staffs of the two Senators from Alaska, who were not here during the last session. Therefore, it seems to me that the $283,000 would be available for furniture for 300 or 350 persons. Is that correct?

Mr. HAYDEN. Not at all. The Senator must remember that Senators whose offices remain in the old Senate Office Building—those who could not get rooms in the new building—will have more rooms, and will need furniture for them.

Mr. PROXMIRE. I understand. But instead of having his office staff in a few rooms, with the desks and chairs jammed together, each such Senator will now have not more than three or four members of his staff in a room. But the same number of desks will be used, and

the same number of chairs will be used; and, roughly, the same number of filing cabinets will be used. There simply will be more room.

Mr. HAYDEN. Is it the Senator's suggestion that the old desks could not be used in the new office building?

Mr. PROXMIRE. I, myself, would be delighted to use some of the old desks. My point is that when we are providing equipment and furniture for the committees, it may or may not be sensible or economical to use the old furniture we now have, rather than to scrap that furniture and buy new furniture.

Mr. HAYDEN. We are equipping the committee rooms and the subcommittee rooms with furniture. Obviously they have to have furniture.

Mr. PROXMIRE. The position of the Senator from Arizona, as I understand it, is that we have spent $1 million for additional furniture, and that we need another $285,000, roughly, in order to complete the provision of furniture for approximately 300 or 350 persons who previously used rented furniture.

Mr. HAYDEN. I do not know about that, at all. The amount of money appropriated for furniture for the new building turned out to be insufficient. Is not that correct?

Mr. CHAVEZ. That is correct. The first request was for $1,350,000. The committee thought it could provide the needed furniture for $1 million, so it asked for only $1 million. But after the building was finished and after the furniture was moved in, we found that we did not have enough furniture, even with what had been bought with the $1 million.

Mr. PROXMIRE. I understand that $115,000 is the proper figure for the extra furniture, disregarding the item of carpets. Is it the position of the Senator that when that furniture is available, there will still be a deficiency of desks and chairs?

Mr. HAYDEN. I understand that a certain number of tables, chairs, and so forth, are required in order properly to equip the new offices in the New Senate Office Building, and that that amount of money is required for that purpose. However, I am not an authority on the subject.

Mr. CHAVEZ. Mr. President, will the Senator from Arizona yield to me

Mr. HAYDEN. I yield.

Mr. CHAVEZ. For several years we were considering the situation in the offices of Senators. We found, for instance, that the Senators from New York had the same number of clerks the Senators from New Mexico had—although obviously such an arrangement is unfair, because the much larger population of New York State requires the office forces of the Senators from New York to do three or four or five times as much work as that done by the office staffs of the Senators from New Mexico. Therefore, we included in the appropriation bill the amounts required on the basis of population. In other words, a Senator who represented a State with a population of 5 million would be allowed to employ a certain number of additional clerks; and a Senator who represented a State with a population of 2 million would be allowed to employ a lesser number of additional clerks. In many instances, some of the Senators from the larger States could not house all their employees in the rooms in the Senate Office Building which were assigned for their use. That is one of the reasons why many of those employees even had to use rooms downtown. I recall that we even had to go to the Library of Congress and try to obtain office space there; and I recall that when Senator Lehman was a Member of this body, he had about 12 employees in offices downtown, because there was not sufficient space for them in the Senate Office Building.

Mr. STENNIS. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I am glad to yield; or the Senator from Mississippi can have the floor.

Mr. STENNIS. Mr. President, I can throw additional light on the furniture item. Last year, I was chairman of the Legislative Subcommittee of the Appropriations Committee. When the matter came to us, the estimates had already been made for the new furniture, based on the requests which had been submitted. The figure was $1,350,000. There had been discussions in the newspapers, and perhaps mention on the floor, that some kind of special deal was going to be made about the furniture, that no competitive bids would be taken, and that the transaction would be a private one.

I remember that the Senator from Illinois was very reasonable in what he said to me about the matter. We made specific demand that competitive bids be taken in all possible cases. Then, as an experiment, we cut this figure in last year's appropriation bill to $1 million; and we asked the commission to do all it could to hold the amount within that figure.

In light of what has happened, we are already right back to almost the identical figure—actually, a little less than that. The furniture has been purchased. There is not a scintilla of evidence of any wrongdoing about the matter or of any special "deal." Ninety-nine percent of the furniture was purchased on the basis of competitive bids.

So the amount now requested is just the second increment of what the original, known request was.

The only question is whether the Senate—not the Architect of the Capitol, not the Congress, but the Senate—is going to reverse itself, and is not going to supply the building with new furniture of proven quality and kind.

Mr. BRIDGES. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. STENNIS. I am glad to yield, if I have the floor.

Mr. BRIDGES. I wish to substantiate what the distinguished Senator from Mississippi has said. He is the chairman of the Legislative Subcommittee, and I am the ranking Republican member of the subcommittee. The statement he has made about the original request—namely, that it was $1,350,000—is correct. We felt that by reducing that amount, and by providing at that time only $1 million, which may or may not have been a mistake—that would have a tendency to cause the proceedings to be watched more carefully; and the result—if we proceeded in that way—might be a little more economy; and then we could have those in charge come back to the committee and ask for the exact amount of additional money they needed. We may have been wrong in proceeding in that way; but we proceeded from the point of view of what was best for the Senate and what was best in the interest of economy. In the way we proceeded we had a chance for a second look.

Mr. PROXMIRE. Mr. President, on this point, will the Senator from Mississippi yield to me?

Mr. STENNIS. I shall be glad to yield.

First, let me thank the Senator from New Hampshire for the statement he has made. He and I were on the committee; and I agree with what he has said.

Now I yield.

Mr. PROXMIRE. Does the item of $283,000 include the cost of installing rugs? I understand that the installation of rugs is the major item of the cost; and it seems to have developed rather recently.

Mr. STENNIS. The item to which my remarks pertain is solely the one for furniture for the new building. It was the estimate of the Architect that it would cost $1,350,000. But, for the reason which has been stated by the Senator from New Hampshire, we reduced that amount to $1 million.

Mr. PROXMIRE. And the item now under discussion is for $115,000, I believe.

Mr. STENNIS. This item is for $283,000, as I recall.

Mr. PROXMIRE. I understand; and I understand that it includes $150,000 for carpeting.

Mr. STENNIS. That is correct; the carpeting is included in the item of $283,000.

Mr. PROXMIRE. I understand that the furniture will cost $115,000-plus; in other words, there is some additional amount for filing cabinets.

Mr. STENNIS. Yes; that is approximately correct. I have not reviewed the figures in the last few months.

Mr. PROXMIRE. The Senator's point would apply to furniture; but the carpeting is something additional and extra; is it?

Mr. STENNIS. That is correct. The carpeting is a new item. I did not mean to convey anything to the contrary.

I may say I have known about the need for additional facilities that has existed for years, and I have known of the conditions which have existed in the Old Senate Office Building, where the personnel have been working all these years. I do not know of any place which has been more crowded or where the people have worked harder than at least some of those who have been attached to the staff of the Senator from

Illinois and some of the other staffs. As I walked by open doors, I observed some of the people working on perhaps one of his committees. The personnel come early in the morning. They are there all day. They work into the night. They have been working under those conditions for all these years. Young ladies at typewriters have had to work with perhaps the noise of five or six other typewriters pounding in their ears. If our medical authorities are correct in stating that a health factor is involved, then I do not think any employer in the Nation has neglected its workers more than the Senate has in some cases. The new building and adequate furniture have been long overdue.

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

Mr. STENNIS. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I would not want to let the impression get around that carpeting serves no purpose or that carpeting is unnecessary. I am located in the old office building and intend to remain there, but the use of carpeting serves a very important purpose so far as acoustics are concerned. Trouble is already being encountered in the attempt to reduce the amount of noise. Excessive noise results in tensions and difficulty in getting work done.

While the item now under consideration does not affect me personally, I think there is a particular purpose to be served by the use of carpeting, whether it be new or old carpeting. I do not believe rubber-tiled flooring is the answer from the standpoint of health and safety factors. I desired to bring that thought to the attention of the Senator from Mississippi.

I am heartily in sympathy with the attempts and desire of the distinguished Senator from Illinois to save money. I am fairly certain that the use of carpeting for the suites in the New Senate Office Building will not only improve the efficiency of the employees through lessening noise and providing more comfortable working conditions, but will actually save money in the long run; my concern regarding this amendment has to do with the best use to be made of surplus furniture, and on that basis I may support the amendment.

I wish to quote to the Senate the reasons given by the Architect of the Capitol for the inclusion of carpeting in the suites. He said, and I quote:

> In my report I explain that by stating that since the time when the building was originally planned and the use of the rubber tile was approved for all offices except the Senators' private offices, the use of electric typewriters and other machines have become much more prevalent, with the added noise of operations. When these machines are operated from stands or desks resting on tile, the noise factor is greatly increased, although acoustical tile and other acoustic materials are utilized on the walls throughout the suites. The use of carpets with rubber cushions underneath will greatly reduce the noise of the machine operation. Other advantages are that the carpets are safer to walk on, and the carpets will improve the appearance of the rooms, also, the daily cleaning and waxing of the rubber tile is more difficult and more costly, than daily cleaning of carpets.

Maintenance costs with carpets range from 40 percent to 50 percent less than maintenance costs for most floors. Over any period of time, this, of itself, amounts to enough to pay for most of the carpet costs and also installation costs. Furthermore, the modern carpet wears remarkably well and also protects other surfaces which are vulnerable to wear.

The controversy surrounding carpets here concerns offices, but a rapidly growing trend is the installation of carpeting not only in offices, but in corridors. The new Socony-Vacuum Building in New York, for example, has wall to wall carpeting in offices and corridors. So does the Alcoa Building in Pittsburgh; and the new Union-Carbide Building in New York, I am informed, also will have carpeting in the halls. The owners of these buildings are not operating them as a public service. It is necesary that they make a profit to stay in business. Evidently they feel that carpets, in the overall sense, are economical and an asset in their business operations.

Actually, the policy of the entire Federal Government toward the use of carpeting in its buildings is far behind the times. In the case of personnel, carpeting is restricted to officials with a GS–15 rating and above, and the minimum salary for GS–15 is $12,770. The result is, of course, that very few workers rate carpets. The entire Federal Government spends only between $2.5 and $3 million for carpeting in a year. In 1957, I am informed that the Department of Agriculture spent only $15,000. Incidentally, I am told that the standards for purchase were borrowed from the Department of Agriculture, but nobody knows who drew them for the Department, way, way back yonder.

Anyone who walks the corridors of our vast Government buildings hears the chatter of typewriters issuing from offices like the chatter of a vast drove of blackbirds or, if you please, our own starlings. The Government has made no studies and has no data about the effect of this noise on morale and efficiency. Aside from the economy factor, we do not know whether the use of carpeting would save money in other ways or not.

I would suggest that the Senator from Illinois join me at the proper time in moving for a study of the use for carpets in public buildings. Such a study, I am certain, will result in a sharp increase in Government carpet buying.

Such a study might even result in the use of carpets in the corridors and halls of our public buildings, including museums. In such a case, there will be a sharp decline in an annoying and prevalent malady in Washington, museum fatigue, which wears out even the hosts of young high school students who come here. It also might give us a little additional strength and vigor. We too do a lot of walking over hard surfaces, and anything which saves us unnecessary physical wear and tear is, I think, a contribution to good government.

Mr. STENNIS. I thank the Senator for his remarks.

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

Mr. STENNIS. I am glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. With regard to the question which has been raised by the Senator from Illinois, I believe the floors in all of the offices of various Senators need carpeting, from the point of view of acoustics and the possibility of slipping. There have been several instances of slipping. Of course, I think carpeting should be provided in the offices in the old office building, and that is also true of the new office building. Anybody who has had any experience at all with these offices will agree on the necessity of carpeting.

Mr. STENNIS. I thank the Senator. I understand the pending amendment has to do only with furniture or carpeting.

Mr. PROXMIRE. It is my understanding the amendment has to do with furniture and carpeting.

Mr. STENNIS. With respect to the new building, although I have not moved into it yet, I am in the process of doing so. However, I have been present in the hearing rooms in the new building. With all deference to what has appeared in the newspapers, about the defects of the new building, they are, to my mind, very small. When we study the question of Senators' being able to do their work more expeditiously, we must conclude that the new facilities are invaluable to a Senator's getting his work done. I have already worked in the new building as a member of the Appropriations Committee. Last week we had a delightful all-day session in the conference room, where we marked up this very bill. Everybody had an opportunity to be heard, to confer with staff members, to check items, and to go into the telephone booths and place necessary calls. Senators will be able to work much better with the new facilities available. I have also been in the smaller committee rooms in the new building. I think the advantage to the Senate as a whole and the committees which will work in the new building will be tremendous.

My only comment is that the facilities are long past due. The costs involved are high. One reason is that the Senate dragged the matter along, delayed a decision, and put it off, and was unwilling to face the issue of Senators and their staffs having the appropriate tools with which to work.

I support the item.

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

Mr. STENNIS. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Some statements have been made about the desirability of having carpeting in the new office building. I occupy a 5-room suite in that building. I understand the item in question is to provide carpeting, not in Senators' offices, but in the parts of the offices occupied by members of their staffs. Is that correct?

Mr. STENNIS. The item is to provide carpeting in the reception room and in the rooms where the staff members actually do the work.

Mr. PROXMIRE. I have been in a number of offices in the new building. I

have noticed there is carpeting in the Senators' offices, but not in the offices occupied by the staffs.

Mr. STENNIS. Yes.

Mr. PROXMIRE. My experience has been that the rubber tiling is adequate. There has been no question of slipping. The improvement in acoustics involved is really one of the few good things that can be said in favor of the old building as it is without carpeting. Many mistakes have been made in the new building, but I do not think the installation of the rubber tiling has been one of them. I have not heard any grievances voiced by Senators on that account. I have heard of complaints on other grounds.

It seems to me that if the Senate provides carpeting merely to improve the acoustics, and so that the footing of stenographers will be made a little surer, it will be providing a frill and will be wasteful of the taxpayers' money. While the item involved represents an extremely small expenditure, it is symbolic, as an example. Economy begins at home. It seems to me we have here an opportunity to show we mean it when we say we are really trying to economize.

Mr. STENNIS. If the Senator from Wisconsin and his staff do not desire to have the carpeting, he has that choice. I personally think the carpeting would be an asset. I do not spend much time in those rooms. I wish I could spend more time there than I do.

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

Mr. STENNIS. I yield to the Senator from New Hampshire.

Mr. BRIDGES. If the Senator from Wisconsin feels it is unnecessary to have carpeting in his offices, the money will not be spent for that purpose. He can individually set an example of economy if he feels this is the way to do it. But it is believed that providing carpeting will improve the acoustics, the health of our employees by relief from noise tensions, and will reduce the incidence of accidents from slipping. We who are concerned about these matters should be entitled to have the carpeting. Any U.S. Senator should have the right to exercise his judgment in these matters wherever he may have his offices, in the old building or the new.

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

Mr. STENNIS. I yield to the Senator from Oregon.

Mr. NEUBERGER. I have been listening to the debate and the discussion with great interest. I am particularly surprised by the suggestion that there should be carpets in the inner offices of Senators themselves, but not where their staffs work. I wonder if it would thus be possible to remove the roofs from over the offices where the staffs work, and save money that way? Perhaps we would not have to heat the rooms where the staffs are, but just where the Senators are. Perhaps we could economize to such an extent that we could have, in the new building and the old building, air conditioning only in the offices of Senators themselves, and not where their staffs work, but the staffs could use some of the old-fashioned Japanese fans.

It seems to me absurd to suggest that there should be one loft for the "kings" and another one for the "people." If there is going to be air conditioning and carpeting and roofs, let them be for everybody who works in the new building, whether they be Senators or staff members.

Mr. STENNIS. I thank the Senator for his suggestion.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

Mr. DOUGLAS and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, before the discussion is concluded, certain things should be borne in mind.

One of the main points for us to ask ourselves is, what is going to happen to the old furniture in the Old Senate Office Building? The corridors are jammed with it. I have inspected the attic. There is a great deal of furniture in the attic.

The census which I have taken, which I have repeated many times, shows that there are in the corridors 375 desks, 400 chairs, 215 steel filing cabinets, and 85 wooden bookcases.

The people who are now in the Old Senate Office Building already have their offices equipped. Virtually all the people in the New Senate Office Building have their offices equipped with new furniture. There is a surplus of furniture in the Old Senate Office Building. It is perfectly good furniture to use, but it is proposed not to use it, and instead to buy more new furniture at a cost of $113,000.

On the question of carpets, I know the Senator from Oregon has made an argumentum ad hominem which is perhaps quite effective, but I think there is a real question as to the degree to which we can heap luxuries upon ourselves and upon our staffs at the expense of the taxpayers.

The building was presumably laid out with due attention to acoustics. I think it will be found that the walls and ceilings in the new building have been so insulated and so treated that there is far less noise, so far as that factor is concerned, than in the present office building. I do not think, therefore, that the added advantage, if there be any, of having a carpet on the floor to deaden the sound of electric typewriters, is worth paying $150,000 of the taxpayers' money.

I am extremely skeptical about the dangers to life and limb from walking on the rubber tiling. I think there is very little danger of accident at all.

Mr. President, may we have order, please?

The PRESIDING OFFICER (Mr. CANNON in the chair). The Senate will be in order.

Mr. DOUGLAS. Mr. President, I have received an added bit of information which is extremely important. It has been stated on the floor of the Senate that the furniture used by the committees which occupy the HOLC and the SEC Buildings are largely rented, and that moving the committees into the New Senate Office Building would make it necessary to buy new furniture.

The custodian's office has just informed my assistant that the furniture in these buildings is owned by the Senate wing of the Capitol, and that it is not rented furniture for the subcommittees. Therefore, if this statement is true—and the information was received from the custodian's office—the furniture of the Senate subcommittees in the HOLC and SEC Buildings could be transferred to the new Senate Office Building without the purchase of any additional furniture whatsoever.

I am sure the original statement concerning the renting of furniture was made in good faith, but the custodian's office has informed us as to what the facts are.

Mr. President, I think this is a very important moral issue, even though it may not involve very much in terms of dollars. The example which we set is extremely important. I think there is a tremendous amount of waste in the executive branches of this Government. I am sure many of us will try to reduce this waste, but we must come into court with clean hands when we do, and we must be as ready to purge ourselves of waste as we are to purge others of waste.

Mr. President, I hope very much the amendment to eliminate the appropriation of $283,000, which would be on top of an existing appropriation of $1 million, will be carried.

TRIBUTE TO SENATOR HILL

Mr. MORSE. Mr. President, I have another matter to discuss briefly. I am advised by the leadership, in view of the fact that a good many of our colleagues are in attendance at the very wonderful luncheon being given downtown in honor of the Senator from Alabama [Mr. HILL], it would be appreciated if I could take a few minutes now to make a brief speech pending arrival of our colleagues.

Mr. STENNIS. If the Senator will yield, I suggest that most of our colleagues have returned from the luncheon.

Mr. MORSE. This will take only 3 or 4 minutes. I do not observe some Senators present who were at the luncheon, to my knowledge.

I wish to say, Mr. President, it is a matter of deep regret to me that I could not be at the luncheon, because I do not know of anyone who is more deserving of the tribute which is being paid at the luncheon than the distinguished Senator from Alabama [Mr. HILL]. For years and years the Senator from Alabama has made a great record in the Senate in the whole field of health legislation. I think it is particularly fitting that this honor is bestowed upon him at the luncheon today. I am very, very sorry I could not be there.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon has the floor.

PERMISSION FOR DAVID SCHREIBER TO BE PRESENT IN THE SENATE CHAMBER DURING CONSIDERATION OF THE RAILROAD RETIREMENT BILL

Mr. MORSE. Mr. President, I understand the Senate will take up shortly the railroad retirement bill. As was true last year, this year I should like to ask unanimous consent that Mr. David Schreiber, one of the outstanding experts on railroad retirement, who is on the staff of the Railroad Retirement Board, and who is able to answer the most technical questions in the field of railroad retirement, be granted the privilege of being present in the Chamber to sit with me and other members of the committee, in case it becomes necessary for us to obtain from him some technical information which we do not carry in the backs of our heads.

Mr. President, I ask unanimous consent that such permission be granted.

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

NOMINATION OF CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

Mr. MORSE. Mr. President, I turn very briefly to a matter of personal privilege in connection with continued criticisms of the position which I have taken in regard to the nomination of Mrs. Clare Boothe Luce to be Ambassador to Brazil.

Mr. BYRD of West Virginia. Mr. President, I make the point of order that the proceedings are not audible.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Oregon will speak so that he can be heard.

Mr. MORSE. Mr. President, I ask unanimous consent that the text of the statement by Mr. Henry R. Luce, as it was published in this morning's New York Times, be printed at this point in my remarks.

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

TEXT OF STATEMENT BY HENRY R. LUCE

For 25 years in the course of her public life my wife has taken not only the criticisms provoked by her own views and actions but also many punches which were really intended for me or for the publications of which I am editor in chief. The attack of Senator WAYNE MORSE is perhaps the most vitriolic example of this.

Mrs. Luce has long had a deep feeling about the importance of all South America and its vital significance to the United States. When Secretary of State John Foster Dulles conveyed to her President Eisenhower's wish to send her to Brazil she accepted without hesitation because she believed that she might be able to play a useful part in developing constructive action in the relations of our country to Brazil. The needs are urgent and the opportunities are great.

The mission has now been profoundly compromised. The 16 to 1 vote in Mrs. Luce's favor by the Foreign Relations Committee of the Senate and her overwhelming confirmation in the Senate are all the vindication required by American public opinion. But there remains the question of Brazilian opinion and whether she can now hope to accomplish the delicate mission assigned to her by the President in a climate of uneasiness which the smears and suspicions aired on the Senate floor have naturally created in Brazil. This attempt to destroy a mission was deliberately, cleverly, and irresponsibly created by a few angry men who intend at her expense and at the expense of our Latin American relations to settle their little grievances with Time.

I think one more point is valid. It is to be found in the Senate hearings. A few days after the Bolivian incident, Mrs. Luce telephoned Acting Secretary of State Christian Herter and said she would be perfectly willing to have her name withdrawn if her nomination might become the slightest cause of embarrassment either for the State Department or for the President. Mr. Herter refused her offer and I, too, advised her that the Bolivian incident had little or no connection with her becoming Ambassador to Brazil. Almost unanimously the press of Brazil asserted that, even if a few U.S. Senators were unable to do so, the Brazilian people were quite capable of distinguishing between Bolivia and Brazil and between Clare Boothe Luce and Mr. Luce.

In the 3 weeks since then, Senator WAYNE MORSE and others have devoted themselves to undermining Mrs. Luce's usefulness. Senator MORSE happens to be the chairman of the Foreign Relations Subcommittee which has cognizance of inter-American affairs and Brazil.

As an Ambassador she will not be able to defend herself from vendetta politics at home which makes common cause with anti-Americanism in South America. Therefore, I have asked my wife to offer her resignation again.

Finally, I should like to say that I am proud of the splendid and effective record which Mrs. Luce has made in public life, and I know that she herself was deeply touched by the warm support which she received from so many distinguished Senators on both sides of the aisle and from responsible editors in every part of America.

Mr. MORSE. Mr. President, in the course of his statement, Mr. Luce says, "In the 3 weeks since then, Senator WAYNE MORSE and others have devoted themselves to undermining Mrs. Luce's usefulness."

I understand also that statements are being made to the effect that this is a political vendetta against the Luces, being conducted by the senior Senator from Oregon. Nothing could be further from the fact, as the record shows.

Mr. President, in the hope that I can make the record perfectly clear, I refer the Senate to the meeting of the Foreign Relations Committee of March 3, 1959. This was before the Bolivian incident. This was before any issue had been raised with respect to Mrs. Luce.

This was before any information was made available to me in regard to her record in Italy. I, too, had labored under the impression that she was a pretty good Ambassador in Italy. This was before my attention had been called to the record she had made in regard to the objections which I subsequently raised in the Foreign Relations Committee public hearing.

I am in a position where I am privileged, as a matter of right, to refer only to my own statements in committee, and that is all I shall do. But the Luce nomination came up, and the official transcript shows as follows:

Senator MORSE. I move we recommend her name to the Senate.

My motion was seconded by another member of the committee.

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

Mr. MORSE. I yield.

Mr. MANSFIELD. I think the Senator should read the sentence preceding his declaration and the sentence following his motion that the nomination of Mrs. Luce be reported favorably, and that names should be mentioned.

Mr. MORSE. I shall be very glad to do so if the Senator thinks that by so doing I will not in any way violate any of the rules of the Foreign Relations Committee, because this is an executive record of the committee. I think the Senator from Montana will join me in saying that if I read this material no violence will be done to the Foreign Relations Committee or to its rules or policy.

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

Mr. MORSE. I yield.

Mr. LONG. I am a member of the Foreign Relations Committee. Several other members of the committee are present. I have no objection to the Senator's reading the transcript.

Mr. MORSE. Mr. President, I ask unanimous consent to read this portion of the transcript.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. MORSE. I am very happy to do it. The transcript reads as follows:

NOMINATION OF MRS. CLARE LUCE TO BE AMBASSADOR TO BRAZIL

The CHAIRMAN. May I raise one other question if you have time? Mrs. Luce's name has been sent up. She needs, I am told, a small operation on her foot. It is nothing serious. We have confirmed her before. We all know her well. She has been before the committee. I feel no particular need to examine her again if the committee does not. What is our thought?

Senator MORSE. I move we recommend her name to the Senate.

Senator MANSFIELD. Second.

The CHAIRMAN. The motion is made and seconded that her name be reported favorably. Any discussion?

The motion was agreed to. Let the RECORD show that on March 3 it was the senior Senator from Oregon who moved that her name be reported favorably to the Senate. Does that look like a political vendetta? Does that indicate that the Senator from Oregon has carried on an attempt at a political vendetta against her or any other member of the Luce family?

Following that meeting the Bolivian incident occurred. It involved Time magazine. There was considerable discussion among us as to whether or not we should let the dust settle, so to speak, and whether or not further consideration should be given to the Luce nomination. So I take the Senate to the record of the Foreign Relations Committee on March 10, 1959. I should like to have the attention of my colleagues on that

committee, because I want them to know that I proceed in reference to this document only with their consent.

On March 10 the chairman of the committee, under the business heading "Nomination of Clare Booth Luce to be Ambassador to Brazil" said the following:

The CHAIRMAN. If I understand correctly, the Senator from Oregon is moving that we reconsider the vote.

Senator MORSE. I move we reconsider the Luce nomination without prejudice, so we can have some executive discussion, possibly an executive hearing on the matter. I think the dust ought to settle a little bit before this appointment goes through.

The CHAIRMAN. I think that is correct.

There was further discussion, but I see nothing in it which would add to the only point I seek to make, and that is the point involving my attitude, my point of view, and my purpose when, on March 10, 1959, I moved the reconsideration of the Luce nomination.

My motion was overwhelmingly carried in the committee. There followed then a considerable amount of public discussion throughout our country and the presentation of a considerable amount of information—at least to me, as a member of the committee. I cannot speak for others. There was presented to me all the information which I have used in the debate on this subject. It became my duty to proceed, then, with a thorough consideration of the nomination. I reached the judgment that the nominee was not qualified, and I have acted accordingly. I am perfectly willing to stand on the record I have made.

Earlier in the day I referred to criticism which I understand was going around, to the effect that I had followed some improper course in my investigation into the qualifications of this nominee.

The record is an open book. I have followed a course in which I have attempted, within the proprieties, to protect the nominee in connection with any charge or allegation which, in my judgment, my investigation showed should not be brought up on the floor of the Senate.

In the first speech on the floor of the Senate last Monday, I believe, I reviewed again the four historic criteria which the Senate has followed throughout its history under the advice and consent clause, based upon the research and study which I did in 1945. In conducting that library research project I studied, over a long period of time and with considerable assistance, every confirmation controversy in the history of the U.S. Senate, in regard to which the Library of Congress could find any written documentation, or with respect to which the CONGRESSIONAL RECORD shed any light.

In a speech I made in 1945, as I said the other day, I set forth what I thought the historic record showed were the four criteria which the U.S. Senate has followed in carrying out its constitutional obligations under the advice-and-consent clause.

The other day I mentioned the first criterion, as I did in 1945, and as I have done several times since. I set forth that criterion a few years ago when there was before us the nomination of President Eisenhower's nominee for the post of Chief of the Bureau of Engine Inspection. Senators will remember the great battle which took place on that occasion. I felt that partisan lines were being drawn. I did not believe that partisan lines should be drawn. I thought the nominee should be tested by these four criteria, and I stated them, as the RECORD will show, in that debate.

What is the first? Character and mental soundness. I discussed it then.

The second is freedom from conflict of interest. I discussed it then.

The third is loyalty to our form of government. I discussed that criterion then, too.

Last there is the criterion of competency to perform the duties of the job.

Last Monday, as the RECORD will show, I told the Senate, after I had listed these four criteria, that I based my opposition to Mrs. Luce on the criterion of competency to perform the duties of the job. I have discussed the subject of competency to perform the duties of Ambassador to Brazil at some length in this debate.

As I said earlier today, and repeat now, so long as I am on the Foreign Relations Committee or any other committee which has jurisdiction over looking into the qualifications of a nominee, and there is brought to me what I consider to be good-faith information from a reliable source in respect to any one of those criteria, it is my duty to investigate.

I must satisfy myself, as I did in this case, that there was a real justification for my making a proper inquiry; which I did. But I based my objections to Mrs. Luce on what I consider to be her incompetency to perform the work of the new position.

It is not my intention to say very much about the statement the President of the United States made at his press conference this morning. He said, in effect, that he had checked with Brazilian officials and found that his survey satisfied him that Mrs. Luce would still be welcome in Brazil. I wonder whether he really expected any other answer. I wonder if the President really thought that if the President of the United States talked to Brazilian Government officials in regard to the nominee he had appointed and who was under fire in the Senate, the Brazilian officials would say to him, "Don't send her." I doubt it.

If anyone thinks this controversy makes me happy or that it is a pleasant task which I am performing in connection with what I consider to be my public duty, then he does not know me. I have carried out my duty. I said yesterday Mrs. Luce has been confirmed, and I wish her well. I said she will receive from me, as chairman of the Latin-American Subcommittee of the Committee on Foreign Relations, my cooperation on any matter which involves her work as Ambassador to Brazil. However, that does not mean that I think she should be sent. I am of the same opinion still. She should not be sent to Brazil. In my capacity as chairman of the subcommittee I have named I wish to say for the RECORD today that I think it is a great mistake to send her. I think her usefulness is over. As I suggested yesterday, the people who really count, the people who in the long run determine what kind of relationships will exist between Brazil and the United States, are the people in the homes of Brazil.

Some of the homes, Mr. President, are not very luxurious. Some are the homes of very, very poor people. In those homes there is a reverence for the memory of a great man, President Franklin Roosevelt. It has been reported to us from time to time by travelers throughout Latin America, including travelers in Brazil, that it is not uncommon to go inside one of these homes and still see, pasted sometimes on a mud wall, a newspaper or magazine picture of Franklin Roosevelt.

I repeat what I said yesterday, it is not what the nominee said in 1944 about President Franklin Roosevelt, but what the nominee said on April 15, 1959, which, in my opinion, continues to disqualify her for effective service in Brazil.

It is now in other hands. If the President, in line with this record, wants to send Mrs. Luce to Brazil, and she really wants to go there, then it is now an Executive responsibility. I have performed my duty as I see it. I am perfectly willing to stand on the record of my performance of that duty.

I hope that it will not be necessary for me to discuss this matter further, because it is always unpleasant to me inside, when I find it necessary to do so. But if it is necessary to continue to protect my record, I shall do so, because in my own heart I know I have taken a stand that I believe to be right. I know that the attack made by the nominee and her consort against the senior Senator from Oregon is without merit. I do not intend, if I may make the matter perfectly clear, to bow before even the great Time-Life-Fortune empire, or to trim in any way the position I have taken, that Mrs. Clare Boothe Luce is not, in my judgment, qualified to serve as Ambassador to Brazil.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. YOUNG of Ohio. On Tuesday evening, after a very tiring and interesting day on the floor of the Senate, I went to my apartment. For the purpose of a little relaxation, I got out a volume of poetry. It just happened that I came across a poem which interested me, and I should like to read it into the RECORD at this point. It is entitled "The Woman With the Serpent's Tongue," and was written by William Watson. It reads:

She is not old, she is not young,
The woman with the serpent's tongue,
The haggard cheek, the hungering eye,
The poisoned words that wildly fly,
The famished face, the fevered hand—
Who slights the worthiest in the land,
Sneers at the just, condemns the brave,
And blackens goodness in its grave.
In truthful numbers be she sung,
The woman with the serpent's tongue;
Ambitious from her natal hour.
And scheming all her life for power;

With little left of seemly pride;
With venomed fangs she cannot hide;
Burnt up within by that strange soul
She cannot shake or yet control:
Malignant-lipped, unkind, unsweet;
Past all example indiscreet;
Hectic, and always overstrung—
The woman with the serpent's tongue.
To think that such as she can mar
Names that among the noblest are.
That hands like hers can touch the strings
That move who knows what men and things?
That on her will their fates have hung.
The woman with the serpent's tongue.

I thank the Senator from Oregon for yielding to me.

Mr. MORSE. May I say that I think the poem read by the Senator from Ohio [Mr. YOUNG] is very apropos. Mr. President, I close my statement on the floor of the Senate by saying that I rose to make the RECORD clear as to the position I took in the Committee on Foreign Relations on the Luce nomination, which I believe to be a complete answer to the charges of Mr. Henry Luce.

Mr. DIRKSEN. Mr. President, when I have more time, I am going to go into that poetry business myself. However, for a few moments at least I wish to address myself to the RECORD.

Yesterday I was advised from two different sources, in connection with the statement Mrs. Luce made in New York involving a horse, that some telephone calls had been made which probably could be put in evidence as provocation. In fact, I was told that telephone calls were made concerning the medical records of her personal health, and whether or not she had been under the care of and receiving treatment by a psychiatrist. I say that information came from two sources. I was authorized to make public expression of it, which I did before some twenty-odd people representing the press. It came to the attention of the distinguished senior Senator from Oregon, and at about 6 o'clock last night, before we concluded our labors here, he and I discussed the matter very briefly. He said, "Believe me, on my word of honor, I never made inquiry about the personal health records of Clare Boothe Luce."

He said, "I did make other inquiry, but not about that."

I want to do him full justice, so that whatever I may have said yesterday on the basis of information derived from credible sources might be adequately corrected.

Mr. MORSE. Mr. President, will the Senator yield for a clarification?

Mr. DIRKSEN. I yield.

Mr. MORSE. We had our conversation by the door at the entrance to the middle aisle. I understood the Senator from Illinois to say he had been informed that I had asked the doctor for Mrs. Luce's personal health record. I asked no doctor for her personal health record. I consider that a matter of privilege; I would not consider asking for it.

Mr. DIRKSEN. I shall clarify that point briefly.

This morning Clare Boothe Luce called me. What I do today, I do because she has asked me to do it. I think, moreover, that I should do it in the interest of a complete and clear record.

She urged that I call her doctor in New York. I had been advised that the distinguished Senator from Oregon had called her doctor. I did not have his name yesterday, nor was I disposed to call him. But I did call him at 12:50 p.m. today. I had somebody on the line to make a careful transcript of the entire telephone conversation, which was very brief. So I read, in amplification of the Senate RECORD, the transcript of the conversation between Senator DIRKSEN and Dr. Rosenbluth at 12:50 p.m., April 29, 1959:

TRANSCRIPT OF CONVERSATION BETWEEN SENATOR DIRKSEN AND DR. ROSENBLUTH, 12:50 P.M., APRIL 29, 1959

SENATOR. Doctor, are you Clare Boothe Luce's doctor?

DOCTOR. That is right, sir.

SENATOR. She called me this morning and she wanted me to talk to you about the thing that happened yesterday. I said I would.

DOCTOR. Yes, sir.

SENATOR. I want to get a few facts nailed down. When did Senator MORSE call you?

DOCTOR. I believe, sir, Senator MORSE called me on Thursday—Wednesday or Thursday——

SENATOR. Of last week?

DOCTOR. Of last week.

SENATOR. Did he ask you for any medical records on her personal health and that sort of thing?

DOCTOR. I will tell you as best I can. He asked me whether she had been under psychiatric care and I said to him as I would say to anyone that I would be perfectly willing to give him any information he would like provided he first had written permission from Mrs. Luce. I told him basically that. He said he heard a rumor from my father, who had been Mrs. Luce's physician prior to myself, and that he read a few clippings in the paper, and said he heard this tip, that it had come from my father. I assured him that it would not have come from my father, that he would not have said such a thing, and that to the best of my knowledge she had not attended a psychiatrist, and that was all that I said to him. I said I would be glad to help if he could send me written permission.

SENATOR. Was there anything else?

DOCTOR. No, sir; I believe that was the extent of it.

SENATOR. I was advised that he made a request for her health records.

DOCTOR. No, sir; he told me—all he said was that he was going to fight this thing. He did not specifically request my records. The only information he asked was whether or not she was under psychiatric care.

SENATOR. I just wanted to verify that from you. Thank you very much, Doctor.

DOCTOR. You are quite welcome, sir.

SENATOR. Goodby.

DOCTOR. Goodby.

Mr. President, if through inadvertence I made a statement which went out to the country that the distinguished Senator from Oregon had asked for the personal health records of Mrs. Luce, I here and now voluntarily, and very freely, withdraw that statement in justice to the Senator from Oregon, and reveal the rest of the record that on Thursday last he did call Dr. William Rosenbluth in New York City and there requested an answer to the question whether Mrs. Luce was under psychiatric treatment.

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

Mr. DIRKSEN. I yield.

Mr. MORSE. I think at this point in the RECORD should come my account of the matter. I am very happy to give it.

As the official notes will bear out, a newspaperman—a very reliable newspaperman—quite some time ago came to me and said he thought it was important that an investigation be made as to the emotional stability of the nominee.

I may say to the Senator from Illinois that I regret very much that it is now necessary to discuss this incident, because it is not of my choosing. I understand that Mrs. Luce has requested of the Senator from Illinois that he raise the matter on the floor of the Senate. I therefore intend to keep the RECORD straight, so far as my position in the matter is concerned.

The newspaperman said, "We are satisfied that she has been under psychiatric care since her ambassadorship in Rome."

I said, "That is very difficult for me to believe, and I am not inclined to pursue that matter unless I have some evidence which would cause me to say that at least there is enough to justify my looking into the matter of the mental health of the nominee."

Of course, the health of a nominee is something which we should look into. Mr. Christian Herter's appointment apparently was held up for some time by the President himself, in order to have an examination made of Mr. Herter's physical health. If any question is raised to cause us to think there is justification for an inquiry concerning the mental health of a nominee, I think it is our duty to conduct that investigation.

So I said, "I am not inclined to look into it until I have reason to believe that there would be more justification for this type of inquiry."

This was quite some time before the public hearing. Then we had the public hearing. I had an opportunity to sit there and study the reactions of the nominee.

In order to illustrate the background basis for my decision to make this inquiry, I may say that before I ever took up or before I ever decided to take up the study of law and become a lawyer, I was well on the way toward the completion of my study for a doctorate in abnormal psychology at the University of Minnesota. In fact, my study in the field of abnormal psychology includes a seminar in clinical psychiatry at Ward's Island, in New York. I have spent many an hour, I may say, in the clinic as a graduate student while psychiatrists, psychologists, and doctors have conducted examinations of mental patients.

As I observed the nominee in the public hearings during her testimony I was a little concerned, because I said to myself: I am not confident of the emotional stability of this nominee. It was after I observed her in that public hearing that I decided to follow the recommendation of the newspaper correspondent and call the doctor who, he said, he was satisfied would be glad to talk to me on a confidential basis about this matter.

I said, "If she is his patient, he should not talk to me about her on a confidential basis, because of the doctrine of privilege of the doctor-patient relationship."

"Well," he said, "let me show you this." He said, "I am satisfied that he is not her doctor now."

He then gave me the material which I put in the RECORD in my discussion in regard to the so-called plaster-flaking incident, which was given by Time magazine as the reason for her leaving Rome.

He said, "We are satisfied that that was pure fantasy."

It has always been a little tough on my imagination to stretch it so far as to accept that story; but that is a matter of personal opinion.

The doctor was quoted in the newspaper articles—and Senators will find the statements in the CONGRESSIONAL RECORD—to the effect that it was not his opinion that there was any arsenate of lead poisoning which caused Mrs. Luce's illness. But those newspaper clippings will have to speak for themselves.

So I decided to call the doctor. I called, only to discover that he had died about 2 weeks ago, but that his son had taken over his medical practice. So I expressed my very deep regret over the death of his father; and I said, "Under the circumstances, I do not think there is any assistance you can be to me, but I want you to know what I wanted to talk to your father about." I told him what my purpose would have been if his father had been alive. I said, "I have copies of your father's statements in regard to the plaster incident." And I said, "I recognize the doctrine of privilege and privacy that exists as between doctor and patient." Then he told me that he—this young doctor—was the doctor of Mrs. Luce.

"Well," I said, "all I was seeking to find out from your father was whether or not it is true, on the basis of the allegation made to me, that she has been in psychiatric care at any time since the Rome incident."

My best recollection of what he said is that first he stated, "I am sure that my father did not have her under treatment for psychiatric care when he was her doctor." He said, "I would not want to discuss her case without written authority from her."

I said, "I don't think you should." I continued, "I want you to know that I find myself in opposition to this nominee, and I am seeking to check on this question of mental stability."

That, to the best of my recollection, was the sum and substance of our conversation.

I wish to say to the Senate that whenever a question is raised, with any reliable background, as to the mental competency of any nominee, I happen to think that in carrying out our trust it is our duty to make the kind of examination I made; and I also think it is our duty to handle it as I handled it. Let Senators read the RECORD. I made no report in regard to any allegation that has been made concerning any emotional instability. It is a matter of opinion.

In conclusion, I only wish to say that I think Mrs. Luce's statement out of New York, yesterday, does raise a question of emotional instability.

Mr. DIRKSEN. Mr. President, I have ventilated the whole record, so far as the Senator from Illinois is concerned. I believe open confession is good for the soul.

I am not willing ever to say anything, publicly or privately, to the press or on the Senate floor, that I am not willing to correct at any time, and particularly so when it does the slightest injustice to anyone.

Of course, I believe the record would be rounded out if the name of the hitherto unnamed newspaper correspondent could be inserted in the RECORD.

I have mentioned Dr. Rosenbluth's name and my own name, in connection with this matter. I have had no reluctance to say to the Senate that Clare Boothe Luce called me at home this morning.

So I believe the whole story ought to be told.

But I also believe that the name of the newspaperman ought to be included, unless question is raised as to whether or not there is a privileged status there.

But I direct the attention of the Senate to what I think now is a policy question growing out of this matter.

First, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in it entirety, the Hippocratic oath that is enjoined upon all practitioners of the healing art.

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

HIPPOCRATIC OATH

I will look upon him who shall have taught me this art even as one of my parents. I will share my substance with him, and I will supply his necessities, if he be in need. I will regard his offspring even as my own brethren, and I will teach them this art, if they would learn it, without fee or covenant. I will impart this art by precept, by lecture and by every mode of teaching, not only to my own sons but to the sons of him who has taught me, and to disciples bound by covenant and oath, according to the law of medicine.

The regimen I adopt shall be for the benefit of my patients according to my ability and judgment, and not for their hurt or for any wrong. I will give no deadly drug to any though it be asked of me, nor will I counsel such, and especially I will not aid a woman to procure abortion. Whatsoever house I enter, there will I go for the benefit of the sick, refraining from all wrongdoing or corruption, and especially from any act of seduction of male or female, of bond or free. Whatsoever things I see or hear concerning the life of men, in my attendance on the sick or even apart therefrom, which ought not to be noised abroad, I will keep silence thereon, counting such things to be as sacred secrets.

Mr. DIRKSEN. Mr. President, I shall read to the Senate only the last sentence of the Hippocratic oath. It is as follows:

Whatsoever things I see or hear concerning the life of men, in my attendance on the sick or even apart therefrom, which ought not to be noised abroad, I will keep silence thereon, counting such things to be as sacred secrets.

Mr. President, this question may come up from time to time. The competence of a person is a highly delicate matter. When it becomes noised abroad that telephone calls have been made to practitioners in that field—who probably think that when a Senator calls, there is something particularly solemn and compelling about it—that raises in my mind the question of whether there should be committee procedure, and whether, instead of having an individual Senator take it on himself to call a practitioner 500 miles away, and ask him whether a particular nominee for office has been receiving psychiatric care, such a matter ought to be presented to the committee behind closed doors. Should it not first be carefully considered there; and should not the will of the committee be expressed on that question, before a telephone call is sent to a doctor whom such a person does not know?

What it amounts to, in effect, is to say to a doctor, "I am a Senator; and, although others may not agree, I am asking you these questions. I know the Hippocratic oath, and what I ask you, Doctor, is actually a violation of the last paragraph of the Hippocratic oath."

How far are we to go in the case of nominees, under similar circumstances? I do not answer the question; I simply leave it right where it is, because I think now I have made the record in its entirety.

Yesterday question arose—because of a statement made out of New York by Clare Boothe Luce—as to whether perhaps it should be said that there was provocation for the statement. I do not sit as a court or jury in the matter; I do not pass on it. It will speak for itself—the fact that an individual Senator did call a doctor, and did raise the question.

I put the transcript in the RECORD; and now it is for the Senate to determine what the course of procedure will be and whether in other days individual Senators will call doctors and will ask them, "What about the mental competence of this nominee?" or whether the matter shall be carefully considered by a Senate committee, before damage can be done to the reputation of a citizen of the country.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I am willing to yield the floor.

Mr. MORSE. I am very happy to discuss the merits of this matter with the Senator from Illinois. But first I think there are several very important operative facts which should be made clear in the RECORD.

When I sought to call the elder doctor—who, as I have said, I found, when I placed the call, had died 2 weeks ago—I did not call him with any understanding or belief that he was the doctor of Mrs. Luce. I knew from the newspaper clippings that at one time he had treated her for some physical ailments. But I judged from the newspaper clippings that he probably was no longer her doctor. I was led to believe that he was not now her doctor by the representation of the newspaper correspondent who gave me the information, and who told me that it was his understanding that if

I would place that call the doctor would give me some information bearing on this nomination. I placed the call for that purpose—only to discover that the doctor was dead, and that I was talking to his son, who had taken over his father's practice. When his son advised me that he presently was the doctor of Mrs. Luce, it was the senior Senator from Oregon who said, in effect, "Well, that settles it, but I want you to know the nature of the call that I was going to make to your father."

In regard to the suggestion of the Senator from Illinois that, as individual Senators, we cannot proceed to investigate the qualifications of a nominee in regard to any one of the four historical criteria I have pointed out over and over again during the years, without having committee approval, I wish to say that I completely reject that suggestion. Each one of us has a trust to perform in the examination of the qualifications of any nominee. That is our job as individual Senators.

I certainly would never agree that a committee—which might be dominated at the moment by an overwhelming majority of Senators who, for one reason or another, might be interested in preventing a thorough investigation of a nominee—should be granted officially, by the Senate, the power to stop an individual Senator from carrying out the obligation of his trust as a Senator.

I think that if any such proposal officially were made here on the floor of the Senate, it should be vigorously opposed, because in my judgment it would amount to seeking to put Senators in a straitjacket and to restrict them from exercising their honest judgment as to the course of action they should follow in carrying out their duty to investigate the qualifications of a nominee.

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

Mr. MORSE. I shall yield in just a minute.

I think it must be left up to the judgment of the individual Senator, Mr. President. He has to do those things he thinks right and proper under the circumstances, in light of the facts that have been developed up to that time. He has to decide whether or not he thinks there is a sufficient basis to justify an inquiry into a nominee's mental or physical health, into his loyalty to the Government, into whether or not he has a conflict of interests that would make it impossible for him to reconcile the obligations of the position to which he is appointed with his occupation or profession. That is up to us. Therefore I made this investigation. I delayed my final decision to make it. As I said, quite frankly, I made it after I observed the nominee herself in the committee.

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

Mr. MORSE. The Senator from Illinois has the floor.

Mr. DIRKSEN. The weakness in the case of the Senator from Oregon is this: He is a distinguished lawyer. He was the dean of a law school. He knows the Hippocratic oath. He knows the privilege that exists between a patient and doctor. There is nothing in the record to show the Senator from Oregon ever contacted the patient and asked permission to get the information from the doctor. That is the weakness in his case. The Senator can make all the inquiries he likes, but when he goes to the doctor of the nominee, then he knows, as I know, and as he knows every doctor and lawyer knows, there is a privilege, and he has to ask permission of the patient before he can ask the doctor to disclose those things that are sacred to the two people in their relation of patient and doctor.

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

Mr. DIRKSEN. I yield.

Mr. MORSE. I say to the Senator, most respectfully, the weakness he alleges in my case is nonexistent. I certainly do not think the Senator from Illinois wants to take the position that when we are investigating a nominee on any one of the criteria of qualifications to which I have referred, we have to get the consent of the nominee as to whether or not we can conduct the investigation.

Second, as I have already pointed out, I was not calling the elder doctor, who, as I said, I discovered had died 2 weeks before, on the belief that he was her doctor at the present time. I did not believe he was her doctor; but, quite to the contrary, that he was not her doctor. Furthermore, so far as I know, he was not a psychiatrist. I was not calling him on the basis of his being a psychiatrist. I do not know, as a matter of fact, as to whether or not he was a psychiatrist, but it is my belief and understanding he was not. But I could not raise my right hand and say I know that to be a fact. I was advised that here was a doctor, however, who thought that information ought to be obtained from him to the effect that there was a question as to the mental health of the nominee.

As a Senator it was my duty, as I saw it, to talk to the doctor and ascertain what his point of view was, and discuss it with him, as I would have if he had been alive, in greater detail than I did with his son, because I dismissed the inquiry when I saw he was not available and I was talking with the son, who had not been involved. I would have talked to the elder doctor had he been alive to learn whether or not the information he might present to me should be made available and whether I should make public use of it.

I certainly do not agree with the premise of the Senator from Illinois that I should have called up Clare Boothe Luce and said, "Clare, will you give me your permission to consult your doctor to see whether or not you are mentally competent?" I think the Senator is mistaken.

Mr. DIRKSEN. The Senator from Oregon is one of the most resourceful and skilled debaters I have ever encountered. He knows every rule in the books. He knows this afternoon, as I know, that he is begging the question every step of the way.

I did not for a moment contend he did not have a right to investigate. I did not for a moment say he could not have directed his questions anywhere he liked—except one place. That is the jumping off place. That is the doctor of the nominee. All the wit and all the piety and all the argument is not going to rub out or vitiate the Hippocratic oath, or make it appear that it was not a question to the nominee's doctor asking for information which if imparted would have been in violation of the Hippocratic oath. The Senator can search where he can, and he can get all the information on competence he is able to collate, but he is begging the question, and it is the only one here involved, namely, it was a telephone call to a doctor. The Hippocratic oath is involved, and the prestige of the Senate is involved, because if we are going to arrogate to ourselves the right to call a doctor and find out whether a person is stable or emotionally sound, what kind of business will it be, and how quickly will we put the Senate in disrepute in the eyes of the country, and particularly in the eyes of the profession?

That is my case, Mr. President. I do not care to discuss it any further. I have laid it in the CONGRESSIONAL RECORD, where the whole wide world can see it.

Mr. MORSE. Mr. President, will the Senate yield?

Mr. DIRKSEN. I yield the floor.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. I shall discuss the subject a little further, because I want my friend to know I never beg a question. I want him also to know that his brilliant oratory and emphasis are not going to change my course of action in conducting investigations, as a member of the Foreign Relations Committee, into the mental qualifications of nominees I have cause to believe are not qualified.

I proceeded to the point when I made the call to the elder doctor to ascertain whether or not I was reliably informed that he would be desirous of discussing this matter with me. I put in the call to him to find out on what basis he would be desirous of discussing it with me. I wanted to find out what his relationship to the alleged patient might be, to find out what kind of a doctor he was.

Let me say to the Senator from Illinois that he and I and all others in the Senate have a great public trust to see to it that the interests of the United States may never be jeopardized by our sending to a post a person who might not have the mental competency to perform the work required, without embarrassment to the Nation.

The Senator seems to think that under no circumstances at all do doctors ever discuss problems of their patients. Let me say to the Senator from Illinois that there are circumstances under which a doctor considers it his duty, from the standpoint of the welfare of the patient, to make clear to those in positions of responsibility that the patient should not be allowed to follow a certain course of action.

There are many examples I can cite; one out of my own experience. I once

had on my staff in law school a professor I had appointed just a few weeks before a certain incident occurred. His behavior after he was hired gave me serious doubts in regard to his mental and emotional stability. I ascertained who his doctor was. I talked to his doctor. He said, "Dean, I am glad you came in, because I was planning to call you today. I have a patient that I want you to help me with." He went on to explain that I had a member on my faculty who was in the first stage of paresis. He said, "It is very important that we find a way, without his knowledge, of getting him off your faculty immediately and into an institution, where he can receive whatever help that in a case as serious as this, can be given by medical science."

Did he violate his oath? He did not. He made clear to me that he had a trust which he owed to the patient. He had a trust he owed to the university and to the public to see to it that I knew that steps ought to be taken to remove that patient from my law faculty.

Many other examples could be cited as to instances when doctors recognize their public duty in behalf of the patients themselves to make known the problems of the patients.

I wish to say that the position taken by the Senator from Illinois, that under no circumstances whatsoever, in accordance with the great oath of the medical profession, is a doctor free, because of any doctrine of privacy, to disclose the condition of the patient in order to protect the patient as well as the public, is simply a position not borne out by medical practice.

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

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. I have listened very carefully to this debate. I want to say to the senior Senator from Oregon that the junior Senator from Colorado was not present on the floor the other day during the debate on this issue. I was home with a heavy chest cold. I wish to take this opportunity now to say that one of the reasons I voted against the confirmation of the nomination of this able lady is a bit different from what has been previously stated. I do not know her personally. I came to the House of Representatives after she had retired. I believe she left with the 79th Congress; I came to the House in the 80th Congress. I know nothing bad about her. There is nothing vindictive or vengeful with regard to my vote at all.

I voted on the basis that in the light of critical conditions which exist in Latin America today, in the light of the scandalous events which happened to the Vice President in Venezuela, in the light of what has occurred in Cuba, in Panama, and in Bolivia, Mrs. Luce was not, in my opinion, a wise selection. I did not question her competency and character. I thought politically and psychologically it was an unfortunate appointment not in keeping with our national interest. That is why I voted against the confirmation of Mrs. Luce.

I want to say to the Senator from Oregon, I think there is much logic in the position that any Senator or any person in a position of official responsibility has a duty, an obligation, and a trust to inquire into the capacity and competency of people who seek high Government office.

Hundreds of investigations are going on every day in this Government of ours, being conducted by the FBI, by the Civil Service investigators, and others, looking into the competency, the character, and the mental stability of people who work for the Federal Government. Why should any such person be exempt? Of course, we recognize that if one is elected to high public office, however desirable one does not have to go through that test, but when one is appointed under a Government procedure, he or she has to expect these investigations.

I should like to ask the Senator from Oregon one or two questions. When Mrs. Luce came before the committee, were any questions put to embarrass or harass her in any way with references to medical treatment?

Mr. MORSE. No. The record speaks for itself.

Mr. CARROLL. Did anyone impugn the mental stability of Mrs. Luce at the time she appeared before the committee?

Mr. MORSE. Not at all.

Mr. CARROLL. Was the investigation prior to or subsequent to the time Mrs. Luce came before the committee?

Mr. MORSE. It was subsequent.

Mr. CARROLL. Did the senior Senator from Oregon ever issue a public press statement which would injure or embarrass this fine lady in this respect?

Mr. MORSE. Not on this matter. I do not have any doubt that she has been embarrassed by statements I have made in the debate as to why I think she is incompetent to perform the job.

Mr. CARROLL. I am referring to mental competence.

Mr. MORSE. That is correct. I made no public statements on it.

Mr. CARROLL. The medical aspect.

Mr. MORSE. That is correct.

Mr. CARROLL. Is this the first time the matter has come up on the floor of the Senate about the conversation with her doctor?

Mr. MORSE. It was raised by the Senator from Illinois at the request of the nominee just a few minutes ago. I mentioned it in a general way earlier today because of statements the Senator from Illinois had made to the press.

Mr. CARROLL. It was never raised by the senior Senator from Oregon?

Mr. MORSE. The Senator can read the RECORD. It has not been.

Mr. CARROLL. I commend the senior Senator from Oregon for this conduct.

Mr. BUSH and Mr. CHAVEZ addressed the Chair.

Mr. CARROLL. I wish to say in conclusion that this debate would really be humorous if it were not so serious. On one hand, the senior Senator from Oregon has merely suggested an emotional instability. The nominee or the appointee by her intemperate remark of yesterday, when the Senator made a suggestion of emotional instability, responded by saying that the senior Senator from Oregon had been kicked in the head by a horse, no doubt to convey the impression of a permanent mental imbalance. I suggest that if we continue along these lines in this debate much longer, not only the whole country, but also Latin America, will think we are all "nuts." [Laughter.]

Mr. CHAVEZ and Mr. BUSH addressed the Chair.

Mr. CARROLL. I leave this matter in the hands of the President of the United States. Methinks only the President and I are capable of exercising calm sane judgment, and if he insists upon this appointment, a question of doubt may be raised against him or possibly vice versa.

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

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BUSH. I did not hear all of the discussion this afternoon, but since the question has been raised with regard to the health of Mrs. Luce, and since there has been a possible question as to mental health raised, I should like to say, for the RECORD, I have positive knowledge, from both Mrs. Luce and from her husband, that she has not ever been under the care of a psychiatrist. I make that statement for the RECORD now.

There is one other item I should like to ask the Senator a question about. When Mrs. Luce was before the committee and under questioning by the Senator from Oregon, the Senator raised a question as to her health. I read from the record of the hearings:

> Senator MORSE. Mrs. Luce, at the time of your leaving Italy, Time magazine carried a story to the effect that the primary reason for you leaving Italy was because of arsenic poisoning. Was that a correct story?
>
> Mrs. LUCE. They would have been a little more correct if I were the editor of Time, I should have seen to it that they were more correct, if they said "arsenate of lead."
>
> Senator MORSE. Arsenate?
>
> Mrs. LUCE. Arsenate.
>
> Senator MORSE. That was the primary reason of your leaving——
>
> Mrs. LUCE. The primary reason of my leaving was my health, Senator, yes.

In view of all this I should like to ask the Senator why he did not pursue the question of health at that time, to give Mrs. Luce a chance, when she was on the witness stand, to discuss the matter?

Mr. MORSE. I think that is perfectly obvious. She was not talking about mental health. Why should I, at a public hearing, on the basis of that testimony, before I had reached any decision as to whether I should make any inquiry based upon the information which has been given to me concerning her emotional stability, proceed to discuss with Mrs. Luce any question about her emotional stability? There has been some talk about chivalry. It would not have fitted into my thoughts of chivalry to raise that question at that time in a public hearing.

I will say to the Senator, if there had been, to my complete satisfaction, any

verification of a record of ill health mentally I would have taken it before the committee for a "behind the door" discussion.

Mr. BUSH. I am sorry, for the sake of the record, that the Senator did not do so, so that we could have avoided all this discussion, which is most unfortunate.

Mr. MORSE. I reached the conclusion that there was not sufficient evidence to make that a basis for objection.

Mr. BUSH. The Senator is not implying, then, that there is any question about the mental health of Clare Boothe Luce right now?

Mr. MORSE. I say for the record that I think she has demonstrated a high state of emotional instability, to such a degree that I do not believe she should be appointed to a diplomatic post.

EXECUTIVE REPORT OF A COMMITTEE—MINORITY VIEWS (EXECUTIVE REPORT NO. 2)

Mr. DIRKSEN. Mr. President, I ask unanimous consent to submit, from the Committee on the Judiciary, a favorable report on the nomination of Potter Stewart, to be an Associate Justice of the Supreme Court of the United States, together with the minority views of the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Mississippi [Mr. EASTLAND]. I ask that the report, together with the minority views, be printed.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Illinois; and the nomination will be placed on the Executive Calendar.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

Mr. CHAVEZ. Mr. President, I hope that the Senate will now proceed to discharge its other responsibilities.

Mr. President, the pending amendment is on page 31, lines 10 to 18. The amendment would strike out all that language. It contains an item of $283,550—$150,000 for floor covering, $103,550 for furniture, and $30,000 for security files and steel shelving. The yeas and nays have been ordered, and I hope we may now have a vote.

Mr. DOUGLAS. Mr. President, senatorial discussion frequently deals with issues other than those pending before the body. We are now about to vote on the pending amendment. I should like to take a couple of minutes to sum up the situation.

We already have 375 desks and 400 chairs available for the 40 rooms which it is proposed to furnish. We also have 215 filing cases and 85 bookcases available.

The statement was made—I am sure in good faith, but it has turned out to be incorrect—that the office staff which is being moved from the HOLC building was using, in that building, rented furniture, and that furniture will have to be bought for the offices in the new Senate Office Building.

As I have previously mentioned, we have checked on this report with the custodian's office. We are informed that the furniture at the HOLC building being used by the Senate staff is owned by the Senate wing of the Capitol, and that it is under the custody and direction of the Sergeant at Arms of the Senate. We are informed that those employees did not use rented furniture, and therefore the furniture could be taken with them.

The question of the carpets has been pretty thoroughly discussed. They are not necessary for acoustics. They are not necessary for safety. The entire proposal represents a waste of $283,000, in addition to the $1 million which has already been spent for furniture and furnishings. I hope that by a decisive vote the Senate will say that it wants to save money and is willing to save money on itself, as well as on other departments.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 31.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Will the Chair please state the interpretation of the Chair as to the amendment on which we are about to vote, on page 31, lines 10 to 18?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois to strike out lines 10 to 18 in the committee amendment on page 31.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE] is absent because of death in his family.

The Senator from Delaware [Mr. FREAR] is absent because of illness.

The Senator from Indiana [Mr. HARTKE] and the Senator from Oklahoma [Mr. MONRONEY] are necessarily absent.

The Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

Mr. KUCHEL. I announce that the Senator from New York [Mr. JAVITS] is necessarily absent, and, if present and voting, would vote "yea."

The Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The result was announced—yeas 34, nays 55, as follows:

YEAS—34

Allott	Curtis	Magnuson
Anderson	Douglas	Morse
Bartlett	Dworshak	Mundt
Beall	Ellender	Pastore
Byrd, Va.	Goldwater	Prouty
Cannon	Green	Proxmire
Case, N.J.	Gruening	Robertson
Case, S. Dak.	Humphrey	Scott
Church	Keating	Talmadge
Clark	Langer	Williams, Del.
Cooper	Lausche	
Cotton	McNamara	

NAYS—55

Aiken	Hennings	Morton
Bennett	Hickenlooper	Moss
Bridges	Hill	Murray
Bush	Holland	Muskie
Butler	Hruska	Neuberger
Byrd, W. Va.	Jackson	Randolph
Capehart	Johnson, Tex.	Russell
Carlson	Johnston, S.C.	Saltonstall
Carroll	Jordan	Smathers
Chavez	Kefauver	Smith
Dirksen	Kennedy	Sparkman
Dodd	Kerr	Stennis
Eastland	Kuchel	Symington
Engle	Long	Thurmond
Ervin	McCarthy	Williams, N.J.
Fulbright	McClellan	Young, N. Dak.
Gore	McGee	Young, Ohio
Hart	Mansfield	
Hayden	Martin	

NOT VOTING—9

Bible	Javits	Schoeppel
Frear	Monroney	Wiley
Hartke	O'Mahoney	Yarborough

So Mr. DOUGLAS' amendment was rejected.

Mr. HAYDEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOUGLAS. Mr. President, I call up my amendment designated "4–28–59—B," and ask that it be read.

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

The LEGISLATIVE CLERK. On page 31, it is proposed to strike out lines 2 to 9, inclusive.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

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

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. Will the Senator indicate to the Senate how long he expects the proponents of the amendment will take, so that Senators who desire to have another bill considered and who have dinner engagements this evening can estimate how late the Senator will remain in session?

Mr. DOUGLAS. It is never safe to estimate in advance how long a debate will take. I think the members of the committee and I consumed a little more than 1 hour on the first amendment. Then certain other matters were taken up by the Senate which took 2 hours. So one never knows when a typhoon or a hurricane is likely to strike this body. Therefore, pledges cannot be given in advance.

I myself do not intend to take more than 20 minutes. The amendment relates to the proposed further appropriation of $4 million for a subway which ends nowhere and which carries with it very dubious possibilities about its future.

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

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. Would the Senator from Illinois be agreeable to a unanimous-consent agreement which would give the proponents of the amendment 30 minutes?

Mr. DOUGLAS. Absolutely.

Mr. JOHNSON of Texas. Mr. President, I make such a request.

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

Mr. DOUGLAS. Mr. President, could we carry that further and ask for a yea-and-nay vote on the amendment?

Mr. JOHNSON of Texas. Yes; as soon as the agreement has been entered.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is entered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, while the Senator from Illinois is in such a cooperative frame of mind——

Mr. DOUGLAS. I am always in a cooperative frame of mind.

Mr. JOHNSON of Texas. While other Senators who are also cooperative are present, but for whom the Senator from Illinois does not speak, I wonder if it would be agreeable to have me ask unanimous consent to proceed to the consideration of the railroad retirement bill, with the understanding that there be a time limitation of not to exceed 20 minutes on each side. I am informed that one side will not use all its time.

Mr. DOUGLAS. In other words, does the Senator propose to lay aside my amendment for 40 minutes?

Mr. JOHNSON of Texas. Yes.

Mr. DOUGLAS. That is agreeable.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937, RAILROAD RETIREMENT TAX ACT, AND RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business, H.R. 5916, the supplemental appropriation bill, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 211, Senate bill 226; and that the time on the bill and on all amendments be limited to not to exceed 20 minutes on each side, the time to be controlled by the Senator from Oregon [Mr. MORSE] and the minority leader.

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

The LEGISLATIVE CLERK. A bill (S. 226) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. WILLIAMS of Delaware. Mr. President, I did not hear the proposed unanimous-consent agreement.

Mr. JOHNSON of Texas. The proposed unanimous-consent agreement is that the Senate proceed to the consideration of the railroad retirement bill, Calendar 211, Senate bill 226, and that debate be limited to 20 minutes on each side, the time to be controlled, on behalf of the proponents of the bill, by the Senator from Oregon [Mr. MORSE], and on behalf of the opponents, by the minority leader.

Mr. WILLIAMS of Delaware. Would that allow some time on all amendments and on amendments to amendments?

Mr. JOHNSON of Texas. Yes.

Mr. LANGER. Mr. President, I ask for the yeas and nays on the retirement bill.

Mr. JOHNSON of Texas. I will ask for the yeas and nays after the bill has been laid before the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. ALLOTT. Mr. President, I do not wish to get squeezed into a corner on this proposal. I wish to propound some questions. I simply wish to have some assurance that I may have 5, 7, or 10 minutes to propound the questions.

Mr. JOHNSON of Texas. The Senator will have such an opportunity.

Mr. ALLOTT. I do not object.

Mr. WILLIAMS of Delaware. Mr. President, if I correctly understand the proposed unanimous-consent agreement, it provides for 20 minutes on each amendment.

Mr. JOHNSON of Texas. No; a total of 20 minutes on each side.

Mr. WILLIAMS of Delaware. On all amendments?

Mr. JOHNSON of Texas. I understand there is no amendment to be offered, except one which is acceptable to the Republicans, and the committee has agreed on it. The minority, I have been informed, desire to have no discussion on the amendment.

Mr. WILLIAMS of Delaware. That may well be true. I have no amendment to offer, but I would not want to agree to a limitation of time of only 20 minutes to a side regardless of the number of amendments which might be offered.

Mr. JOHNSON of Texas. I will be glad to agree to a proposal which will allow 5 minutes on each side on any amendment.

Mr. WILLIAMS of Delaware. I think it should be 20 minutes to a side.

Mr. JOHNSON of Texas. All right; 20 minutes to a side on each amendment which is offered. I am informed, however, that there are no amendments to be offered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. CASE of South Dakota. Mr. President, can the distinguished majority leader tell the Senate what the amendment is to which he says there is no objection?

Mr. JOHNSON of Texas. The distinguished minority leader can give the Senator that information.

Mr. DIRKSEN. It is an amendment to reduce the tax on carriers from 4 percent to 3¾ percent. I was advised yesterday that that is agreeable, and that the Senator from Oregon is willing to accept the amendment and take it to conference.

The House is likely to pass, not an identical bill, but a similar bill, today. Whatever differences there may be can be adjusted in conference.

Mr. CASE of South Dakota. I had heard rumors that some other amendments might be offered. If the proposed unanimous-consent agreement will allow 20 minutes to a side on each amendment, as well, I will not object.

Mr. JOHNSON of Texas. The proposed agreement so provides.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered.

The Senate thereupon proceeded to consider the bill (S. 226) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, which had been reported from the Committee on Labor and Public Welfare, with amendments on page 3, line 5, after the word "which", to strike out "became" and insert "become"; on page 4, line 7, after the word "before", to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 10, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended,"; on page 5, line 15, after the word "before", to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; at the beginning of line 18, to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; on page 6, line 10, after the word "before", to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 13, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended,"; on page 7, after line 2, to insert a new section, as follows:

SEC. 4. Section 20 of the Railroad Retirement Act of 1937 is amended (1) by inserting "(a)" immediately after "SEC. 20."; and (2) by adding at the end thereof the following new subsection:

"(b) Pensions and annuities under this Act or the Railroad Retirement Act of 1935 shall not be considered as income for the purposes of section 522 of title 38 of the United States Code."

At the beginning of line 11, to change the section number from "4" to "5"; in line 14, after the word "before", to strike out "January 1, 1959" and insert "the month next following the month of enactment of this Act"; in line 17, after the word "before", to strike out "February 1, 1959" and insert "the second calendar month next following the month of such enactment"; at the beginning of line 24, to change the section number from "5" to "6"; in line 26, after the word "by", to strike out "subsections (b) and (c)" and insert "subsection (b)"; on page 8, line 2, after the word "section", to strike out "4" and insert "5"; in line 3, after the word "months", to strike out "after December 1958" and insert "after the month of enactment of this Act"; in line 5, after "section 1", to insert "and by subsection (c) of section 3"; in line 11, after the word "after", to strike out "December 1958" and insert "the month of enactment of this Act"; in line 14, after the word "after", to strike out "December 1958" and insert "the month

of enactment of this Act"; in line 17, after the word "after", to strike out "December 1958" and insert "the month of enactment of this Act"; in line 18, after the amendment just above stated, to strike out "Section 4" and insert "Sections 4 and 5"; in line 20, after the word "after", to strike out "January 1959" and insert "the month next following the month of enactment of this Act"; at the beginning of line 22, to strike out "December 1958" and insert "the month of enactment of this Act"; on page 9, at the beginning of line 10, to strike out "December 31, 1958" and insert "the month in which this provision was amended in 1959"; on page 10, at the beginning of line 4, to strike out "December 31, 1958" and insert "the month in which this provision was amended in 1959"; at the beginning of line 8, to strike out "1958" and insert "the month in which this provision was amended in 1959"; in line 17, after the word "after", to strike out "December 31, 1958" and insert "the month in which this provision was amended in 1959"; on page 11, at the beginning of line 17, to strike out "December 31, 1958" and insert "the month in which this provision was amended in 1959"; in line 25, after the word "out"; to strike out "1954" and insert "after December 31, 1954" and "after 1954"; on page 12, line 1, after the word "wherever", to strike out "else it appears" and insert "they appear"; in line 2, after the word "thereof", to strike out "1958" and insert "after the month in which this provision was amended in 1959"; in line 18, after the word "of", to strike out "January 1, 1959" and insert "the first day of the calendar month next following the month in which this Act was enacted"; at the beginning of line 21, to strike out "December 31, 1958" and insert "the month of such enactment"; in line 22, after the word "such", to strike out "date" and insert "month of enactment"; on page 13, line 3, after "Sec. 301.", to insert "(a)"; at the beginning of line 10, to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 12, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; after line 13, to insert:

"(b) The first proviso of section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out '$400' and inserting in lieu thereof '$500'."

On page 16, line 3, after "1957", to insert "and before April 1, 1959,"; in line 9, after the word before", to strike out "April" and insert "July"; on page 17, at the beginning of line 15, to strike out out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 18, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; in line 21, after the word "before", to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; at the beginning of line 24, to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; on page 18, at the beginning of line 2, to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 4, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; at the beginning of line 6, to strike out "1947" and insert "December 31, 1947"; in line 7, after the word "thereof", to strike out "1958" and insert "the month in which this Act was amended in 1959"; in line 13, after the word "thereof", to strike out "3½" and insert "4"; in line 15, after the word "before", to strike out "January 1, 1959" and insert "the calendar month next following the month in which this Act was amended in 1959"; in line 19, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was so amended"; after line 20, to insert a new section, as follows:

SEC. 308. (a) Subsection (d) of section 10 of the Railroad Unemployment Insurance Act be amended to read as follows:

"(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payment of such benefits and refunds, and the Secretary shall make such transfer. Whenever the Board finds that the balance in the railroad unemployment insurance account, without regard to the amounts transferred pursuant to the next preceding sentence, is sufficient to pay such benefits and refunds, it shall request the Secretary of the Treasury to retransfer from the railroad unemployment insurance account to the credit of the Railroad Retirement Account such moneys as in its judgment are not needed for the payment of such benefits and refunds, plus interest at the rate of 3 per centum per annum, and the Secretary shall make such retransfer. In determining the balance in the railroad unemployment insurance account as of September 30 of any year pursuant to section 8(a) of this Act, any moneys transferred from the Railroad Retirement Account to the credit of the railroad unemployment insurance account which have not been retransferred as of such date from the latter account to the credit of the former, plus the interest accrued thereon to that date, shall be disregarded."

(b) The amendment made by this section shall take effect on the date of enactment of this Act.

On page 20, at the beginning of line 6, to change the section number from "308" to "309"; in the same line, after the word "by", to insert "section 301(b) shall be effective with respect to days in registration periods beginning after June 30, 1959"; in line 17, after the word "of", to strike out "January 1, 1959" and insert "the first day of the calendar month next following the month in which this Act was enacted"; and, in line 21, after the word "after", to strike out "December 31, 1958" and insert "the month in which this Act was enacted"; so as to make the bill read:

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

PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

SECTION 1. (a) Section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"3. Individuals who will have attained the age of sixty and will have completed thirty years of service or, in the case of women, who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he or she is under age sixty-five when the annuity begins to accrue."

(b) Section 2(d) of such Act is amended by adding at the end thereof the following new sentence: "If pursuant to the third sentence of this subsection an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed $1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of $1,200, the number of months in such year with respect to which an annuity is not payable by reason of such third and fifth sentences shall not exceed one month for each $100 of such excess, treating the last $50 or more of such excess as $100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger."

(c) Section 2(e) of such Act is amended by striking out "than an amount" and inserting in lieu thereof "than 110 per centum of an amount".

(d) Section 2(g) of such Act is amended by inserting after "wife under age 65" the following: "(other than a wife who is receiving such annuity by reason of an election under subsection (h))".

(e) Section 2 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) A spouse who would be entitled to an annuity under subsection (e) if she or he had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by one one-hundred-and-eightieth for each calendar month that the spouse is under age 65 when the annuity begins to accrue."

SEC. 2. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out "3.04", "2.28", and "1.52" and inserting in lieu thereof "3.35", "2.51", and "1.67", respectively; and (2) by striking out "$200" and inserting in lieu thereof "$250".

(b) Section 3(c) of such Act is amended by inserting after "or in excess of $350 for any month after June 30, 1954," the following: "and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended,".

(c) Section 3(e) of such Act is amended (1) by striking out "$4.55", "$75.90", and "his monthly compensation" and inserting in lieu thereof "$5.00", "$83.50" and "110 per centum of his monthly compensation", respectively; (2) by striking out "is less than the amount, or the additional amount" and inserting in lieu thereof "is less than 110 per centum of

the amount, or 110 per centum of the additional amount"; (3) by inserting after "age sixty-five," the following: "women entitled to spouses' annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202 (q) of the Social Security Act,"; and (4) by striking out "such amount or such additional amount" and inserting in lieu thereof "110 per centum of such amount or 110 per centum of such additional amount".

SEC. 3. (a) Section 5(f)(2) of the Railroad Retirement Act of 1937 is amended by striking out "and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of $300 for any month before July 1, 1954, and in the latter case in excess of $350 for any month after June 30, 1954)," and by inserting in lieu thereof the following: "plus 7 per centum of his or her compensation paid after December 31, 1946, and before January 1, 1959, plus 7½ per centum of his or her compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of his or her compensation paid after December 31, 1961 (exclusive of compensation in excess of $300 for any month before July 1, 1954, and in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, and in excess of $400 for any month after the month in which this Act was so amended),".

(b) Section 5(h) of such Act is amended by striking out "$33", "$176", and "$15.40" wherever they appear and inserting in lieu thereof "$36.30", "$193.60", and "$16.95", respectively.

(c) Section 5(i)(1)(ii) of such Act is amended by striking out "or in which month he engaged on seven or more different calendar days in noncovered remunerative activity outside the United States (as defined in section 203(k) of the Social Security Act)" and inserting in lieu thereof the following: "or, having engaged in any activity outside the United States, would be charged under such section 203(e) with any earnings derived from such activity if it had been an activity within the United States".

(d) Clause (A)(i) of section 5(l)(9) of such Act is amended by striking out the word "and" appearing after "July 1, 1954," and by inserting after "June 30, 1954," the following: "and before the calendar month next following the month in which this Act was amended in 1959, and any excess over $400 for any calendar month after the month in which this Act was so amended,".

(e) Clause (A) (ii) of section 5(l)(9) of such Act is amended (1) by inserting "and before 1959" after "1954" where it first appears; (2) by inserting after "$4,200" where it first appears the following: ", or for any calendar year after 1958 is less than $4,800,"; (3) by striking out "$350" and inserting in lieu thereof "$400"; and (4) by striking out "and $4,200 for years after 1954, by" and inserting in lieu thereof the following: ", $4,200 for years after 1954 and before 1959, and $4,800 for years after 1958, by".

(f) Section 5(l)(10) of such Act is amended by striking out "44", "11", "$350", "$15.40", "$36.66", "$27.50", and "$14.66" wherever they appear and inserting in lieu thereof "49", "12", "$400", "$16.95", "$40.33", "$30.25", and "$16.13", respectively.

SEC. 4. Section 20 of the Railroad Retirement Act of 1937 is amended (1) by inserting "(a)" immediately after "SEC. 20."; and (2) by adding at the end thereof the following new subsection:

"(b) Pensions and annuities under this Act or the Railroad Retirement Act of 1935 shall not be considered as income for the purposes of section 522 of title 38 of the United States Code."

SEC. 5. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before the month next following the month of enactment of this Act all widows' and widowers' insurance annuities which began to accrue before the second calendar month next following the month of such enactment, and which, in accordance with the proviso in section 5(a) or section 5(b) of the Railroad Retirement Act of 1937, are payable in the amount of the spouse's annuity to which the widow or widower was entitled, and all annuities under the Railroad Retirement Act of 1935, are increased by 10 per centum.

SEC. 6. (a) The amendments made by section 1 (other than subsection (b) thereof), by subsections (a) and (c) of section 2, and by subsection (b) of section 3 shall be effective only with respect to annuities (not including annuities to which section 5 applies) accruing for months after the month of enactment of this Act. The amendment made by subsection (b) of section 1 and by subsection (c) of section 3 shall be effective with respect to annuities accruing during the calendar year 1959 and subsequent calendar years. The amendment made by subsection (a) of section 3 shall be effective only with repect to lump-sum payments (under section 5(f)(2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. The amendments made by subsection (f) of section 3 shall be effective only with respect to annuities accruing for months after the month of enactment of this Act and lump-sum payments (under section 5(f)(1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. Sections 4 and 5 shall be effective only with respect to pensions due in calendar months after the month next following the month of enactment of this Act and annuities accruing for months after the month of enactment of this Act.

(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

PART II—AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended to read as follows:

"SEC. 3201. Rate of tax.

"In addition to other taxes, there is hereby imposed on the income of every employee a tax equal to—

"(1) 6¾ percent of so much of the compensation paid to such employee for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"(2) 7¼ percent of so much of the compensation paid to such employee for services rendered by him after December 31, 1961, as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956."

(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out "after December 31, 1954" wherever it appears and inserting in lieu thereof "after the month in which this provision was amended in 1959"; (2) by striking out "$350" wherever it appears and inserting in lieu thereof "$400"; (3) by striking out "after 1954" and inserting in lieu thereof "after the month in which this provision was amended in 1959".

(c) Section 3211 of the Railroad Retirement Tax Act is amended to read as follows:

"SEC. 3211. Rate of tax.

"In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to—

"(1) 13½ percent of so much of the compensation paid to such employee representative for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"(2) 14½ percent of so much of the compensation paid to such employee representative for services rendered by him after December 31, 1961, as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to twice the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956."

(d) (1) Section 3221 of the Railroad Retirement Tax Act is amended by striking out "In addition to" and all that follows down through "$350" the first time it appears, and inserting in lieu thereof the following:

"(a) In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to—

"(1) 6¾ percent of so much of the compensation paid by such employer for services rendered to him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"(2) 7¼ percent of so much of the compensation paid by such employer for services rendered to him after December 31, 1961, as is, with respect to any employee for any calendar month, not in excess of $400".

(2) Such section 3221 is further amended (A) by striking out "after December 31, 1954" and "after 1954" wherever they appear in that section and inserting in lieu thereof "after the month in which this provision was amended in 1959"; (B) by striking out "$350" wherever else it appears in that section and inserting in lieu thereof "$400"; and (C) by adding at the end thereof the following new subsection:

"(b) The rate of tax imposed by subsection (a) shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3111 at such time exceeds the rate provided by paragraph (2) of such section 3111 as amended by the Social Security Amendments of 1956."

SEC. 202. The amendments made by section 201 shall, except as otherwise provided in such amendments, be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid after the month of such enactment, for services rendered after such month of enactment.

PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

SEC. 301. (a) Section 1(i) of the Railroad Unemployment Insurance Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof ": *Provided, however*, That in computing the compensation paid to any employee, no part of any month's compensation in excess of $300 for any month before July 1, 1954, or in excess

of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended, shall be recognized".

"(b) The first proviso of section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out '$400' and inserting in lieu thereof '$500'."

SEC. 302. (a) Section 2(a) of the Railroad Unemployment Insurance Act is amended by striking out the language between "(i)" and "(ii)" and inserting in lieu thereof the following: "for each day of unemployment in excess of four during any registration period, and".

(b) Section 2(a) of such Act is further amended by striking out columns I and II and inserting in lieu thereof the following:

"Column I Total Compensation	Column II Daily Benefit Rate
$500 to $699.99	$4.50
700 to 999.99	5.00
1,000 to 1,299.99	5.50
1,300 to 1,599.99	6.00
1,600 to 1,899.99	6.50
1,900 to 2,199.99	7.00
2,200 to 2,499.99	7.50
2,500 to 2,799.99	8.00
2,800 to 3,099.99	8.50
3,100 to 3,499.99	9.00
3,500 to 3,999.99	9.50
4,000 and over	10.20".

(c) The proviso in such section 2(a) is amended by striking out "50" and "$8.50" and inserting in lieu thereof "60" and "$10.20", respectively.

SEC. 303. (a) Section 2(c) of the Railroad Unemployment Insurance Act is amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *"And provided further,* That, with respect to an employee who has ten or more years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, who did not voluntarily leave work without good cause or voluntarily retire, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the benefit year in which such rights are exhausted shall be deemed not to be ended until the last day of the extended benefit period determined under the following schedule, and the maximum number of days of, and amount of payment for, unemployment within such benefit year for which benefits may be paid to the employee shall be enlarged to include all compensable days of unemployment within such extended benefit period:

"If the employee's 'years of service' total—	The extended benefit period shall begin on the first day of unemployment following the day on which the employee exhausted his then current rights to normal benefits for days of unemployment and shall continue for successive fourteen-day periods (each of which periods shall constitute a registration period) until the number of such fourteen-day periods totals—
10 and less than 15	7 (but not more than 65 days)
15 and over	13

but no such extended benefit period shall extend beyond the beginning of the first registration period in a benefit year in which the employee is again qualified for benefits in accordance with section 3 of this Act on the basis of compensation earned after the first of such successive fourteen-day periods has begun. For an employee who has ten or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has fourteen or more consecutive days of unemployment, and who is not a 'qualified employee' for the general benefit year current when such unemployment commences but is or becomes a 'qualified employee' for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences."

(b) An employee who has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, and who has after June 30, 1957, and before April 1, 1959, exhausted (within the meaning prescribed by the Railroad Retirement Board by regulation) his rights to unemployment benefits, shall be paid unemployment benefits for days of unemployment, not exceeding sixty-five, which occur in registration periods beginning on or after June 19, 1958, and before July 1, 1959, and which would not be days with respect to which he would be held entitled otherwise to receive unemployment benefits under the Railroad Unemployment Insurance Act, except that an employee who has filed, and established, a first claim for benefits under the Temporary Unemployment Compensation Act of 1958 may not thereafter establish a claim under this subsection, and an employee who has registered for, and established a claim for benefits under this subsection may not thereafter establish a claim under the Temporary Unemployment Compensation Act of 1958. Except to the extent inconsistent with this subsection, the provisions of the Railroad Unemployment Insurance Act shall be applicable in the administration of this subsection.

(c) The Secretary of Labor, upon request, shall furnish the Board information deemed necessary by the Board for the administration of the provisions of subsection (b) hereof, and the Board, upon request, shall furnish the Secretary of Labor information deemed necessary by the Secretary for the administration of the Temporary Unemployment Compensation Act of 1958.

SEC. 304. Section 3 of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500".

SEC. 305. Section 4 (a-2) of the Railroad Unemployment Insurance Act is amended by striking out subdivision (iv), and by striking out the semicolon at the end of subdivision (iii) and inserting in lieu thereof a period.

SEC. 306. Section 8(a) of the Railroad Unemployment Insurance Act is amended (1) by inserting after "June 30, 1954" where it first appears the following: ", and before the calendar month next following the month in which this Act was amended in 1959, and is not in excess of $400 for any calendar month paid by him to any employee for services rendered to him after the month in which this Act was so amended"; (2) by inserting after "June 30, 1954" where it appears for the second time the following: ", and before the calendar month next following the month in which this Act was amended in 1959, and to not more than $400 for any month after the month in which this Act was so amended"; (3) by inserting after "June 30, 1954" where it appears for the third time the following: ", and before the calendar month next following the month in which this Act was amended in 1959, or less than $400 if such month is after the month in which this Act was so amended"; (4) by striking out "December 31, 1947" in paragraph 2 and inserting in lieu thereof "the month in which this Act was amended in 1959"; and (5) by striking out the table (except the column headings) in such paragraph 2 and inserting in lieu thereof the following:

	Percent
"$450,000,000 or more	1½
$400,000,000 or more but less than $450,000,000	2
$350,000,000 or more but less than $400,000,000	2½
$300,000,000 or more but less than $350,000,000	3
Less than $300,000,000	4".

SEC. 307. Section 8(b) of the Railroad Unemployment Insurance Act is amended (1) by striking out "3 per centum" and inserting in lieu thereof "4 per centum"; and (2) by inserting before the period at the end of the first sentence the following: ", and before the calendar month next following the month in which this Act was amended in 1959, and as is not in excess of $400 paid to him for services rendered as an employee representative in any calendar month after the month in which this Act was so amended."

SEC. 308. (a) Subsection (d) of section 10 of the Railroad Unemployment Insurance Act be amended to read as follows:

"(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payment of such benefits and refunds, and the Secretary shall make such transfer. Whenever the Board finds that the balance in the railroad unemployment insurance account, without regard to the amounts transferred pursuant to the next preceding sentence, is sufficient to pay such benefits and refunds, it shall request the Secretary of the Treasury to retransfer from the railroad unemployment insurance account to the credit of the Railroad Retirement Account such moneys as in its judgment are not needed for the payment of such benefits and refunds, plus interest at the rate of 3 per centum per annum, and the Secretary shall make such retransfer. In determining the balance in the railroad unemployment insurance account as of September 30 of any year pursuant to section 8(a) of this Act, any moneys transferred from the Railroad Retirement Account to the credit of the railroad unemployment insurance account which have not been retransferred as of such date from the latter account to the credit of the former, plus the interest accrued thereon to that date, shall be disregarded."

(b) The amendment made by this section shall take effect on the date of enactment of this Act.

SEC. 309. The amendments made by section 301(b) shall be effective with respect to days in registration periods beginning after June 30, 1959. The amendments made by sections 302, 303(a), and 305 shall be effective with respect to benefits accruing in general benefit years which begin after the benefit year ending June 30, 1958, and in extended benefit periods which begin after December 31, 1957. The amendment made by section 304 shall be effective with respect to base years after the base year ending December 31, 1957. The amendments made by clauses (4) and (5) of section 306 and clause (1) of section 307 shall be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid for services rendered in calendar months after the month in which this Act was enacted.

Mr. MORSE. Mr. President, I yield myself 20 minutes or so much thereof as I may need.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 20 minutes.

Mr. MORSE. Mr. President, the bill now before us is Senate bill 226.

Senate bill 226, as originally introduced by me, is in most respects the same as Senate bill 1313 which was passed by the Senate on August 22, 1958. However, the committee has made the following six changes in that bill:

1. CHANGES IN EFFECTIVE DATES

(A) The 10-percent increase in retirement and survivor annuities is made effective prospectively, that is, with respect to annuities acccruing for months after the month of enactment of this act. The effective date for the 10-percent increase in pensions is changed accordingly.

Mr. President, that was done upon my recommendation—in fact, upon my insistence. I do not like the idea of retroactivity when we are imposing a financial burden upon a party to what, in this instance, might be termed a controversy, without that party's having knowledge that, for some reason, it can expect to be bound by such retroactivity; and I think it most unfair to the carriers to include in the bill, in connection with this matter, a retroactive clause. So my amendment for prospectivity was adopted by the committee.

(B) The increase in tax rates for Retirement Act purposes, as well as the increase in the taxable and creditable monthly compensation base, is also made effective prospectively, that is, with respect to compensation paid in months after the month of enactment of this act for services rendered after such month.

(C) The increase in lump-sum payments is also made effective prospectively, that is, with respect to deaths occurring after the month of enactment of this act.

The effective date with regard to the work restrictions on disability annuitants, and survivor beneficiaries working outside the United States, and the inclusion of social security wages for the purpose of computing survivor benefits, are not changed, effective for calendar years beginning with the calendar year 1959, because they all require computation on an annual basis.

2. CHANGES IN THE MAXIMUM CONTRIBUTION RATE FOR UNEMPLOYMENT INSURANCE

In view of the testimony in the record of the hearings that the maximum contribution rate of 3½ percent provided in the original bill would be inadequate to retain the railroad unemployment insurance account on a sound financial basis, the maximum contribution rate in the newly proposed table for unemployment insurance contributions is changed from 3½ to 4 percent; but this table, as well as the increase in the monthly taxable base from $350 to $400 a month, is made effective with respect to compensation paid in months after the month of enactment of this act for services rendered after such month.

I wish to discuss briefly the contribution rate, and I wish to stress two things which were pointed out during our hearings. First, in recent years the railroads have, in effect, saved approximately $1,100 million as a result of the experience rating provision the Senate adopted some years ago, comparable to the experience rating which exists in many State laws in connection with the matter of determining unemployment compensation. The percentage is flexible: If employment is high, the rate can go down one-half of 1 percent; and when unemployment is high, the percentage rate goes up.

The Railroad Retirement Board suggested that 4 percent should be agreed upon as the figure; but the Board's own statistics, as we see by examining page 24 of our report, show that with the proposed changes, a tax of 3.75—or 3¾—percent would be fiscally sound for this fund; and I understand that when I conclude, and when the Senator from Illinois [Mr. DIRKSEN] takes the floor, in view of the table which appears on page 24 and in view of the testimony from the Railroad Retirement Board, the Senator from Illinois will propose an amendment to reduce the tax from 4 percent to 3¾ percent.

I wish to say that when the Senator from Illinois does that, I will accept the amendment, in behalf of the committee. So I think the amendment for a tax of 3¾ percent should be accepted by the Senate.

The provisions for increasing and extending the benefits under the Unemployment Insurance Act and the effective dates of such increases and extensions are not changed.

3. CONFERRING AUTHORITY UPON THE BOARD TO BORROW MONEY FROM THE RAILROAD RETIREMENT ACCOUNT

In view of the low balance in the railroad unemployment insurance account, as shown in the record of the hearings, a new amendment is added to the Railroad Unemployment Insurance Act; and the amendment confers upon the Railroad Retirement Board the authority to borrow from the railroad retirement account, for the payment of benefits and refunds under the Railroad Unemployment Insurance Act, on a reimbursable and 3-percent interest basis.

Let me say that all parties agree—the carriers the brotherhoods, and the Railroad Retirement Board itself; and in the committee we are unanimous—on this point, namely, that this borrowing power should be granted as recommended by all the parties—the carriers, the brotherhoods, and the Board.

4. EXTENDING TO JULY 1, 1959, THE PERIOD FOR THE PAYMENT OF TEMPORARY UNEMPLOYMENT INSURANCE BENEFITS

The provision in the bill for the payment of temporary unemployment compensation to employees with less than 10 years of service, up to a maximum of 65 days, but not later than April 1, 1959, is extended to July 1, 1959, in order to conform, as nearly as possible, to the provisions in Public Law 86–7, which was approved March 31, 1959, extending the Temporary Unemployment Compensation Act of 1958 to July 1, 1959.

5. A TECHNICAL AMENDMENT WITH REGARD TO SUBSIDIARY REMUNERATION

The committee amendments include also a technical amendment to section 1(k) of the Railroad Unemployment Insurance Act, with regard to subsidiary remuneration. Under present law, if an individual's base year's earnings are insufficient to make him a qualified employee but for the inclusion of "subsidiary remuneration", no day on which he earns such subsidiary remuneration is a day of unemployment, although otherwise it may be. In view of the proposed increase in the qualifying earnings from $400 to $500 in the base year, section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500."

This is a desirable amendment, and I think it is deserving of adoption. I believe it is a fair amendment; and the committee was unanimous in regard to it.

6. AN ATTEMPT TO PROTECT A SMALL GROUP OF VETERAN PENSIONERS

Section 20 of the Railroad Retirement Act is amended to provide the annuities and pensions under the Railroad Retirement Act should not be deemed income for purposes of determining veterans' income, in cases involving non-service-connected disability pensions now afforded veterans who are totally and permanently disabled.

All these six changes are shown in italics on the several pages of the committee bill now before us.

Mr. President, at this time I wish to say a word, because I know the Senator from South Carolina [Mr. JOHNSTON] is always interested in veterans' legislation. This amendment is a veterans' amendment; and it came to us also with the recommendation of the expert on veterans affairs who assists our Committee on Labor and Public Welfare, that simple justice entitles the veterans to this consideration.

As so amended, the committee bill would amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act in the following respects:

A. AMENDMENTS TO THE RAILROAD RETIREMENT ACT

First. All retirement and survivor annuities, including spouses' annuities, computed under the regular railroad retirement formulas, including the minimum formulas, would be increased by 10 percent, effective with respect to annuities accruing for months after the month of enactment of the bill.

In other words, it will be prospective.

Second. All retirement and survivor annuities, including spouses' annuities, computed under the overall social security minimum would be increased by 10 percent, effective with respect to annuities accruing for months after the month of enactment of the bill.

Third. All pensions payable under section 6 of the Railroad Retirement Act would be increased by 10 percent, effective with respect to pensions due in months after the month next following the month of enactment of this bill.

Fourth. The maximum amount of monthly compensation creditable for benefit purposes would be increased from $350 to $400 effective with respect to services rendered after the month of enactment of this bill.

Fifth. The formula for computing the "residual" lump sum would be amended—in conformity with amendments proposed to the Railroad Retirement Tax Act to increase the tax rate and to increase the maximum monthly tax base to $400—by increasing the percentage factor applicable to compensation after 1958 and before 1962, to 7½ percent, and to compensation after 1961 to 8 percent, and by increasing the maximum amount of compensation to which such factors are applicable from $350 to $400 earned in months after the month of enactment of this bill.

Sixth. The privilege—now available to a male employee with 30 years of service—of electing to receive a reduced annuity at age 60 would be available to women employees with 10 years of service at age 62. Also, spouses of annuitants—age 65 or more—would have the right to elect to receive a reduced spouse's annuity at age 62. The reduction in each case would be by one one-hundred-and-eightieth for each calendar month the beneficiary is under age 65; and both provisions would be effective for annuities accruing for months after the month of enactment of the bill.

Seventh. The earnings test now applicable to disability annuitants under which such an annuitant under age 65 does not receive his annuity for any month in which he is paid more than $100 in earnings, would be modified by a proviso to the effect that if the annuitant's total earnings in any calendar year do not exceed $1,200, the annuity otherwise not payable because of his earnings in excess of $100 in any month in the year would become payable. Should the annuitant's earnings exceed $1,200 in any year, loss of annuity would not exceed 1 month's annuity for each $100 that the annuitant earned in excess of $1,200, treating any remainder of such excess of $50 or more as $100.

Earnings from employment with an "employer" as defined in the Railroad Retirement Act, and from employment with the disability annuitant's last employer before he retired—whether or not a railroad employer—will not count toward this $1,200 maximum, since no annuities are payable in any event under section 2(d) of the act for any month in which the disability annuitant had such employment, regardless of the amount of earnings in that employment.

The earnings test now applicable to survivor annuitants working outside the United States—no more than 6 days' remunerative activity in a month—would also be changed to a yearly earnings test applicable to survivor annuitants who are U.S. workers.

These changes would be effective for calendar years beginning with the calendar year 1959, although it will not be before 1960 when the question of the yearly earnings for 1959 will have to be determined.

Eighth. The amendment to section 20 of the Railroad Retirement Act would make it unnecessary for a railroad employe to waive part of his annuity or pension in order to avoid forfeiting his non-service-connected disability pension. Under this amendment, his annuity or pension under the Railroad Retirement Act would not be considered as income for purposes of the "income limitations" prescribed by section 522 of title 38 of the United States Code, under which non-service-connected disability pensions, otherwise due, are not to be paid to "any unmarried veteran whose annual income exceeds $1,400 or to any married veterans or any veteran with children whose annual income exceeds $2,700." This amendment would be effective prospectively, the same as the increases in annuities and pensions mentioned previously.

B. AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

First. The bill would increase, effective with respect to compensation earned in months after the month of enactment of the bill, the tax rate on employees and employers from 6¼ percent to 6¾ percent on the employee's compensation earned up to $400 in any month after the month of enactment of the bill and before 1962, and to 7¼ percent of the employee's compensation up to $400 earned in any month after 1961. This tax rate would be increased, with respect to compensation paid after December 31, 1964, by the same number of percentage points—or fractions of percentage points—by which the then current social security tax rate exceeds 2¾ percent—the social security tax rate scheduled to be in effect from 1960 through 1964 under the Social Security Amendments of 1956—this increase is conditioned, of course, on the increase in social security taxes.

Second. The tax rate on employee representatives would be increased from 12½ percent to 13½ percent, with respect to compensation earned after the month of enactment of the bill up to $400 in any month after the month of enactment of the bill and before 1962, and to 14½ percent of compensation up to $400 earned in any month after 1961. This tax rate would also be increased with respect to compensation paid after December 31, 1964, just as in the case of the employer and employee tax rates, but this increase would be by twice the number of percentage points—or fractions of percentage points—by which the then current social security tax rate exceeds 2¾ percent. This latter increase, too, would be conditional.

Third. The withholdings required of employers of the taxes imposed on their employees would be increased in accordance with the increase in tax rate and tax base.

C. AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

First. The maximum number of days of unemployment in the first registration period in a benefit year for which benefits may be paid would be increased from 7 to 10 days, the same number as the law now provides with respect to all subsequent registration periods in the benefit year. This amendment would be effective with respect to benefits payable in the current benefit year and thereafter, for normal benefits, and as early as January 1, 1958, for benefits in extended periods.

Second. A new schedule of increased daily benefit rates would apply, ranging from a minimum daily benefit rate of $4.50 for compensation of $500 to $699.99 in a year to a maximum daily benefit rate of $10.20 for compensation of $4,000 or more in a year. The proposed daily benefit rates are from 50 cents to $1.70 higher than present rates. The alternative minimum daily rate payable would be increased from 50 to 60 percent of the daily rate of compensation—with a maximum of $10.20 per day—for the employee's last employment in which he was engaged for an employer during the base—calendar—year. This amendment would be effective with respect to benefits payable in the current benefit year and thereafter, for normal benefits, and as early as January 1, 1958 for benefits in extended periods.

Third. The substitution of "$500" for "$400" in section 1(k) of the Railroad Unemployment Insurance Act, with regard to subsidiary remuneration, and the change in the minimum earnings from $400 to $500 in a base—calendar—year which would qualify an employee for benefits, would be effective with respect to benefits payable in the benefit year beginning July 1, 1959.

Fourth. An employee with less than 10 years of service who has, after June 30, 1957, and before April 1, 1959, exhausted his rights to unemployment benefits under present law would receive additional unemployment benefits, payable retroactively, for days of unemployment, not exceeding 65, which occur in registration periods beginning on or after June 19, 1958, and before July 1, 1959.

Fifth. An employee who has 10 or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has 14 or more consecutive days of unemployment, and who is not a "qualified employee" for the general benefit year current when such unemployment commences, but is or becomes a "qualified employee" for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences and continues to such time as it otherwise would.

An employee with 10 but less than 15 years of service, who did not voluntarily leave work without good cause or voluntarily retire, upon exhaustion of his rights to normal unemployment benefits under present law in a given benefit year would have such benefit year extended by an additional 7 successive 14-day periods after such exhaustion, with a maximum of 65 days of additional benefits.

An employee with 15 or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, upon exhaustion of his rights to normal unemployment benefits under present law in a given benefit year would

have such benefit year extended by an additional 13 successive 14-day periods after such exhaustion, with a maximum of 130 days of additional benefits.

The extended benefit period in any case could begin as early as January 1, 1958.

Sixth. Sundays and holidays could be compensable days of unemployment, just as any other day, whether or not such Sundays and holidays are preceded and succeeeded by a day of unemployment. This amendment would be effective with respect to benefits payable in the current benefit year and thereafter, for normal benefits, and as early as January 1, 1958, for benefits in extended periods.

Seventh. To provide funds for the additional benefits recommended, the bill would increase the monthly limit on taxable compensation for services after the month of enactment, from $350 to $400 a month per employee—and would increase the credit base as well—and would change the contribution or tax rate schedule so that when the balance in the railroad unemployment insurance account should fall below $300 million by September 30 of any year—including the year 1958—the rate in the following calendar year, but not before the month next following the month of enactment of the bill, would be 4 percent—instead of the present 3 percent when the account falls below $250 million—with step changes to provide lower rates when the balance increases, with a minimum rate of 1½ percent when the balance reaches $450 million.

Eighth. The bill would also provide an increase in the maximum creditable and taxable base from $350 to $400 a month on compensation earned by employee representatives after the month of enactment; but this amendment has no practical significance—it is merely a formal amendment to conform to the pattern of the act since employee representative earnings are disregarded for unemployment and sickness insurance purposes, including contribution purposes.

Ninth. In view of the low balance in the railroad unemployment insurance account, as shown in the record of the hearings, a new amendment is added to the Railroad Unemployment Insurance Act which confers upon the Railroad Retirement Board the authority to borrow from the Railroad Retirement Account for the payment of benefits and refunds under the Railroad Unemployment Insurance Act, on a reimbursable, and 3 percent interest, basis.

In conclusion, the bill would serve the public interest by returning the railroad retirement system to an essentially sound actuarial basis and strengthening the morale of railroad workers by providing for them a better retirement and unemployment insurance system. The increase in taxes and in the compensation base to which the taxes apply would reduce the present actuarial deficit of 4.18 percent of taxable payroll, or some $213 million a year, to an estimated .61 percent, or some $34 million a year, in the retirement system. The change in the contribution schedule with provision for a maximum contribution rate of 4 percent would place the unemployment insurance system, too, on a sound financial basis. The change in the retirement tax would accord with the request of the President made in 1956 when he signed the stop-gap legislation providing a moderate increase in retirement benefits.

The railroad system which is, of course, the most vital and important element in the national transportation system and which is so important to the Nation's welfare, economic strength, and defense, cannot function without a stable and experienced work force. To maintain such a work force it must compete with other industry which generally provides generous private retirement benefits supplementary to social security benefits, which benefits were, in addition, increased substantially in the very last session of Congress. The increased retirement and unemployment benefits, as well as the financial stabilization provided by this bill, would serve to better the condition of the railroad worker and greatly help the railroads to preserve their efficient labor force on which the industry and the Nation are so dependent.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I wish to apologize to the Senator from Illinois. I thought that I could finish my statement in not more than 15 minutes and that I would have 5 minutes remaining to answer questions. If the Senator from Illinois has some time available, I ask him to yield me 5 minutes, so that I may answer any questions the Senator from Colorado has in mind.

Mr. DIRKSEN. Mr. President, I first yield 1 minute to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, I am not certain there will be a yea and nay vote on the bill, so I wish to say for the record I shall vote for the bill.

Mr. MORSE. The Senator from Louisiana has been of great help.

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

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from North Dakota [Mr. LANGER].

Mr. LANGER. Can the Senator from Oregon tell me what the retirement pay would amount to for a man who is 65 years old who has been receiving $500 a month and who becomes totally disabled?

Mr. MORSE. Retirement is on a monthly basis, as the Senator knows. The maximum would go up 10 percent over what it is now.

Mr. LANGER. Can the Senator give me a dollar figure?

Mr. MORSE. The average for all employee annuities under the bill will be approximately $125.

Mr. LANGER. I thank my friend.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, as a member of the committee, I feel a sense of responsibility with respect to the bill. I should like to state, first, that I think the Senator from Oregon has us all in his debt for the skill and study he has given this whole problem.

I hope very much that we now have a bill in balance so much that it will pass. I asked for this time to express my sentiment for the bill, and to express my gratification that the bill came from the Committee on Labor and Public Welfare.

I also wish to urge the same thing which was urged upon us, and which prevailed with us, that all of us should stretch a point with respect to the details of the bill in order to get a bill enacted. If we do not do that, both here and in the other body, we will not have a bill at all, that having been the sad experience of last year.

I thank my colleague from Illinois for yielding to me.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. ALLOTT. Mr. President, I should like the RECORD to show that the Senator from Oregon is present on the floor at this time, because I desire to address some questions to him at a later point in my remarks.

Perhaps a little history with regard to this matter is not out of line as a part of the record. In 1956, as a member of the Subcommittee on Railroad Retirement of the Committee on Labor and Public Welfare, the Railway Brotherhood officials came to the members of the committee late in the session to ask us to raise the retirement benefits 10 percent. At that time they agreed to come back the next year to work out a basis for financing that increase. That was done. In the President's approval of the bill that year the President said he approved the bill with the understanding that it would be financed by the Congress at the coming session of Congress.

At the next session of Congress we got a bill which also contained quite a few changes, and was more than a bill simply to finance the raises we had given in the preceding Congress. We started to work upon the bill in 1957, and we worked all through 1957 and 1958. The Senator from Oregon was the chairman of the subcommittee. I was still a member of the subcommittee at that time.

The Senator from Oregon will recall, I am sure, that although there was at one time some criticism raised with regard to me, I rose upon the floor of the Senate to defend the part I had played in trying actively to create a bill which would be brought to the Senate. I think the record should be made clear.

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

Mr. ALLOTT. I yield.

Mr. MORSE. I wish to say that the Senator was of great help. I am very sorry, although I am delighted with the cooperation I receive from my present associates in the committee, that the Senator from Colorado is no longer a

member of the committee. The Senator was of great help in getting the bill through the committee in 1958.

Mr. ALLOTT. At that time, as a result of the raises we had given upon retirement, the fund went into debt over the fiscal years 1957 and 1958 a total of some $140 million.

I should like to ask the Senator from Oregon a question. As the result of our not acting on this matter prior to this time, what will be the deficit for the 3 years as of July 1 of this year?

Mr. MORSE. The present deficit is $213 million a year, as was brought out in the hearings. I am sorry I cannot put my finger on the evidence exactly, but I assure Senators it is in the hearings. If the bill under consideration is enacted it will reduce the deficit to about $34 million a year.

Mr. ALLOTT. I thank the Senator for that information, because it justifies in my mind the position I took with respect to the former bills, which was that we should bring to the Senate a bill to put the fund on a sound actuarial basis.

Mr. MORSE. I wish to bring to the Senator's attention page 19 of the committee report, which shows the figure of a $34 million deficit if the bill is adopted.

I also wish to say that the Railroad Retirement Board tells us that figure is not of sufficient significance to make the bill not actuarially sound, because there is a great fluctuation in a fund with as many millions of dollars as this fund has. If at a given time there is a $34 million deficit, it would not make the fund actuarially unsound.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, I yield myself 5 more minutes.

Mr. MORSE. Mr. President, the Senator from Colorado is entitled to make a record and to be helpful with regard to the legislative history. Under these circumstances I think possibly we ought to try to obtain a few minutes of extended time for the Senator to ask questions. It may take a little time to dig the information out of the record.

Mr. ALLOTT. I believe we have adequate time, and if we need a few minutes more I will ask for unanimous consent.

The Senator from Oregon will recall that because of the situation which existed last year when the railroad retirement bill was before the Senate, he offered a bill which he had been forced to work out with Members of the House at the last minute, and there was no opportunity to examine that bill. I opposed the bill on the ground that it did not put the fund in a sound actuarial condition.

From an examination of the bill for this year, I understand the bill which is proposed will place the fund on a sound actuarial basis, including taking care of deficits which we have incurred during the last 3 years.

Mr. MORSE. I wish the record to show this very clearly. We pressed the Board at the hearings on that subject. They point out that there will be a deficit, according to present calculations, of $34 million; but they also point out that for all practical purposes, the bill would restore the system to a sound financial basis. When we are dealing with the sum of $34 million, it is small in comparison with the total amount of the funds. So my answer is "Yes," if we bear in mind that the testimony is that the fund will be substantially actuarily sound.

This bill is substantially the bill which we arrived at in compromise with Representative HARRIS last year in the closing days of the session.

Mr. ALLOTT. I understand that; and I understand that the figure of deficit as it now appears is not significant with relation to the whole. With the assurance of the Senator that the bill finally arrived at is on a sound actuarial basis—and that is my understanding from my own studies—I agree that it is a good bill.

I merely wish to make it clear that when I voted against the bill last year I did so on the basis that I did not believe the members of the brotherhoods in Colorado wanted me to preside over the interment of the railroad retirement fund. I am sure the Senator from Oregon will recall my insistence that the bill have a sound actuarial basis. I have insisted that the spouse survivors be taken care of. They were not taken care of in the first bill, in 1956.

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

Mr. ALLOTT. I yield.

Mr. MORSE. This bill does take care of the spouses, as the Senator from Colorado and the Senator from Oregon have always insisted.

Mr. ALLOTT. I understand that. I am very happy to see it, and also to see that the amount which a beneficiary is permitted to earn in a year has been adjusted and amended so that he can earn $1,200 a year, rather than $100 a month.

I have received many letters from railroad people. In fact, I sent out a questionnaire to all those who asked to hear from me. I sent a letter to the president of one railroad brotherhood, who said that I had no right to write to members of the railroad brotherhoods direct. I consider it my right. As a matter of fact, I consider it my duty.

I plan to support the bill. I do not know whether or not there will be a yea-and-nay vote, but I wish the record to show how I would vote. I favor the bill primarily because, at long last, after 3 years, we are seeing the fund brought into a sound actuarial balance. So that when a railroader retires he can be sure that the necessary funds will be there to pay the benefits he has been promised.

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

Mr. ALLOTT. I yield.

Mr. LAUSCHE. As I understand, the position of the Senator from Colorado last year was that if the expenditure was to be made mandatory, the Senator from Colorado felt that, concurrent with that order, provision should be made to supply the money needed to make the expenditure.

Mr. ALLOTT. Yes. If the retirement fund were to be paid out, the retirement fund should, at the same time, be placed upon a sound acturial basis—not on a level basis. Over a period of years, in a curve upward, it will be on a sound basis.

Mr. LAUSCHE. The Senator from Colorado took the position that it would not be good policy to grant the increase and delay the necessary change in the law to provide the money with which to finance the increase.

Mr. ALLOTT. The Senator is exactly correct.

Mr. MORSE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

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

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 18, in the tabulation following line 10, it is proposed to strike out the numeral "4" and insert in lieu thereof "3¾."

On page 18, line 13, it is proposed to strike out the numeral "4" and insert in lieu thereof "3¾."

Mr. DIRKSEN. Mr. President, I have discussed this amendment with the distinguished Senator from Oregon, and he is willing to accept it and take it to conference.

Mr. MORSE. I am willing to accept it and take it to conference.

Mr. DIRKSEN. When the Chairman of the Railroad Retirement Board appeared before the committee, his first notion was that 3½ percent would be sufficient. Then he had some doubts about it, but he was quite sure that 3¾ percent would be enough, particularly when the base is extended. This figure appears to be agreeable to all concerned, and we can take it to conference without further discussion.

Mr. MORSE. I accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. MORSE. Mr. President, will the Senator from Illinois yield half a minute to a very able Member of our committee, the Senator from Kentucky [Mr. COOPER]?

Mr. DIRKSEN. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, for 2½ years I have had the honor of serving as a member of the Subcommittee on Railroad Retirement under the leadership of the distinguished senior Senator from Oregon [Mr. MORSE].

We have held many weeks of hearings on the bill. I believe we have a bill which is actuarially sound, and one which will correct many inequities in the Railroad Retirement Act.

I wish to pay tribute to the senior Senator from Oregon for his fairness, for his patience, and for his vast knowledge of the subject, which has enabled us, after almost 2½ years, to come before the Senate with a bill which I believe will be unanimously accepted.

Mr. MORSE. Mr. President, the Senator from Kentucky was chairman of the

subcommittee under a Republican Congress, and my predecessor. I could not have brought this bill to the Senate without his great knowledge and cooperation. That statement is true of every member of the subcommittee. No chairman of a subcommittee could possibly have had a subcommittee which would work more cooperatively than did this subcommittee.

Mr. JOHNSON of Texas. Mr. President, I am very happy that the bill has been brought before the Senate. I congratulate the Senator from Oregon for the fine work he has done in the subcommittee and in the full committee, as well as on the floor of the Senate, in expediting the consideration of the legislation.

I commend the Senator from Kentucky and the Senator from Illinois for the contribution they have made in this field. I believe that this legislation will benefit a number of worthy people who need the assistance, and I am delighted that we can pass the bill this afternoon without prolonged debate, and I trust without a yea-and-nay vote.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from North Dakota.

Mr. LANGER. Mr. President, the people of my State have been active in connection with this bill. I wish to compliment the committee for the fine work it has done. I particularly wish to pay tribute to the Senator from Oregon [Mr. MORSE], as well as to the legislative representative of the brotherhoods, Walter Monroe, and men of that type, who have spent hours explaining the bill to us. I believe the president of one of the brotherhoods, J. Park Kennedy, traveled all over the United States speaking on this subject. He deserves a great deal of credit. The bill is a result of a fine job of cooperation.

Mr. MORSE. Mr. President, will the minority leader yield 1 minute to the junior Senator from Colorado [Mr. CARROLL]?

Mr. DIRKSEN. I gladly yield to the Senator from Colorado.

Mr. CARROLL. I congratulate the distinguished Senator from Oregon and his colleagues for their excellent work in connection with the bill. I am happy to join in sponsoring the bill to improve the railroad retirement compensation. An increase in railroad retirement benefits is long overdue, and will enable railroad workers to deal more effectively with the high cost of living and the extension of unemployment benefits gives recognition to the serious unemployment situation which exists in the railroad industry today.

Mr. JOHNSTON of South Carolina. Mr. President, will the minority leader yield briefly to me?

Mr. DIRKSEN. I yield 1 minute to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I commend the senior Senator from Oregon for bringing the bill to the floor of the Senate. The increase provided by the bill is needed in order to keep up with the cost of living.

In the Government we have already done what is being done here today, which is no more than right and just. We regret that we cannot do more, but we realize that in connection with retirement systems, we cannot go too far, for if we do, it results in harm in the other direction.

I am glad to join the Senator from Oregon today in doing what I consider to be nothing more than right and just.

Mr. MOSS. Mr. President, I rise in support of the bill before the Senate (S. 226), which will bring railroad retirement and unemployment insurance benefits in line with present living costs, and place both systems on a stable, self-supporting basis.

In my opinion, there should be little controversy about this bill. It corrects a number of inequities—and at no cost to the Federal Government.

Last session Congress voted retirement increases both for social security beneficiaries and retired civil service employees. The bill intended to give retired railroad workers a few more dollars to meet today's soaring living costs was passed by the Senate but died in the House. Enactment of the measure before us today by both Houses will give to those workers who have devoted their lives to the railroad industry the same consideration already given to other groups.

The improvements in the insurance system will be especially helpful in these times of high railroad unemployment. Technical changes and changes in methods of operation are displacing thousands of veteran railroad workers with 10, 20, and even 30 years of service, and many of them are finding it impossible to locate work in other fields.

Since the bill calls for an increase in payroll taxes on both employers and employees, the question naturally arises as to how it would affect the financial status of the railroads. I realize that additional expense to any business requires readjustments, but there is every indication that the taxes required by this measure would not put too heavy a burden on the railroad industry. The railroads have made a strong recovery from the 1957 and 1958 recession, and their financial condition is now reported to be good.

I am naturally most concerned about the condition of western railroads, so I have studied with interest the month-by-month financial statements for three of them—Southern Pacific, Western Pacific, and Union Pacific, which show gross earnings for the years 1957 and 1958. The figures were taken from reports made by the carriers to the California Public Utilities Commission. They show railroad income at a substantial level, and rising in the last half of 1958—a rise which I am told unofficially is continuing in 1959. I ask unanimous consent to have these statements placed in the RECORD at this point.

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

SOUTHERN PACIFIC CO.

Month	Total gross operating revenue		Net operating earnings	
	1958	1957	1958	1957
January	$40,099,870	$41,015,820	$6,975,711	$6,876,424
February	36,654,988	39,226,109	6,039,928	7,233,552
March	38,717,595	42,604,871	6,553,013	8,067,102
April	38,961,765	42,719,728	6,681,496	7,631,962
May	41,796,016	45,009,137	7,699,457	7,801,745
June	46,040,986	45,286,289	10,860,905	7,997,212
July	45,854,535	47,043,673	9,385,256	8,233,739
August	45,063,995	46,834,475	9,253,942	8,976,452
September	47,168,748	44,345,394	10,754,350	8,401,061
October	47,785,073	46,131,902	9,856,418	10,430,041
November	41,186,065	41,032,644	6,592,408	6,897,686
December	44,016,533	42,286,506	5,079,744	6,749,762

Source: California Public Utilities Commission Reports of 1958.

UNION PACIFIC RAILROAD

January	$38,006,228	$40,900,223	$8,897,535	$9,378,085
February	35,016,144	38,694,794	8,180,699	8,269,372
March	38,802,708	44,350,327	10,156,066	11,652,881
April	37,034,782	40,852,295	7,176,723	8,530,021
May	39,111,274	41,362,164	7,924,521	8,120,120
June	38,840,903	40,738,871	8,729,056	9,756,541
July	43,456,044	42,545,090	10,323,847	10,826,254
August	48,682,690	49,777,373	15,679,664	17,629,473
September	47,502,936	45,087,845	14,541,081	13,993,470
October	49,928,346	48,272,829	16,848,881	15,865,145
November	44,214,205	42,280,996	13,816,202	11,956,073
December	(1)	42,197,295	(1)	8,727,950

WESTERN PACIFIC R.R.

January	$3,969,978	$4,200,585	$318,224	$437,650
February	3,715,332	4,020,020	341,227	510,697
March	4,036,417	4,471,542	452,395	551,884
April	3,953,046	4,701,732	336,037	724,434
May	4,103,254	4,855,070	369,029	729,124
June	4,288,001	5,026,391	729,587	869,565
July	4,305,604	4,630,546	618,072	565,911
August	4,606,610	5,238,804	1,115,448	699,574
September	5,101,694	4,742,448	968,334	523,860
October	5,104,924	4,672,777	902,974	538,321
November	4,420,684	4,068,483	639,220	402,473
December	(1)	3,904,699	(1)	576,175

[1] December report not available until annual 1958 to be rendered Mar. 15, 1959.

Source: California Public Utilities Commission Reports of 1958.

Mr. MOSS. Mr. President, the bill before us has the endorsement of the 23 standard railway labor organizations. It was reported by the full Labor and Public Welfare Committee by a vote of 14 to 1, with 1 member voting present. For several years delegates to railway labor conventions have voted overwhelmingly for the added protection this legislation would give to retired, unemployed, and ill railroad workers and their families.

The railway labor organizations of my State of Utah, and hundreds of their members, are strongly supporting it. I ask unanimous consent to place in the RECORD at this point a cross-section of the letters I have received from organizations and individuals in my State in support of this bill.

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

NATIONAL ASSOCIATION OF RETIRED AND VETERAN RAILWAY EMPLOYEES,
UNIT NO. 77,
Salt Lake City, Utah, January 20, 1959.

Senator F. E. MOSS,
U.S. Senate, Washington, D.C.

DEAR SIR: Members of the National Association of Retired and Veteran Railway Employees are very proud of the progressive action you have taken in connection with bills H.R. 1012 and H.R. 1013 to improve the Railroad Retirement Act and Railroad Unemployment Insurance Act and your cosponsorship of S. 226.

The increase in retirement benefits will greatly assist retired workers and their families in meeting the high cost of living, the majority of pensioners and disability annuitants are in the low pension brackets and in need of these additional benefits. We also hope any increase will be made retroactive to January 1, 1959.

Best wishes to you for a happy and prosperous new year.

Very truly yours,

JAMES M. WELLS,
Secretary-Treasurer.

UTAH STATE LEGISLATIVE COMMITTEE,
BROTHERHOOD OF RAILWAY AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES,
Salt Lake City, Utah, February 12, 1959.

Hon. FRANK E. MOSS,
U.S. Senator,
Washington, D.C.

DEAR SENATOR: I am writing this short letter to thank you for the help that you are giving to pass Senate bill 226, and House bill 1012.

I am sure that you appreciate the necessity for the passage of this legislation and the beneficial results to be obtained therefrom.

Sincerely yours,

L. M. RUSK,
Chairman.

UTAH STATE LEGISLATIVE COMMITTEE,
ORDER OF RAILWAY CONDUCTORS AND BRAKEMEN,
Salt Lake City, Utah, February 14, 1959.

Senator FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: I have contacted a large number of our membership here in Utah, and I earnestly request your active interest to Senate bill 226.

I am sure your support of this measure will be greatly appreciated by your constituents here in Utah.

With very best personal regards.

Very truly yours,

E. J. KEMPTON,
Secretary and Treasurer.

BROTHERHOOD RAILWAY CARMEN OF AMERICA,
MOUNT BEN LOMOND LODGE NO. 548,
Ogden, Utah, February 10, 1959.

Hon. Frank E. Moss,
Senate Office Building, Washington, D.C.

DEAR SIR: Legislation sponsored by the standard railway labor organizations to improve the railroad retirement and railroad unemployment insurance benefits, has been introduced at this session of the Congress.

Of special importance is the program of extended unemployment insurance benefits, which are needed particularly at this time since unemployment in the railroad industry is the highest in many years and a substantial number of railroad workers have exhausted their unemployment insurance benefits.

At our last regular monthly meeting a motion was made and passed unanimously that we write to you asking for your favorable consideration and support to S. 226 now before the Congress.

Thanking you for your past support.

Sincerely yours,

BLAINE W. ROUNDS,
Recording Secretary.

SALT LAKE CITY, UTAH, *February 14, 1959.*

Senator FRANK MOSS,
U.S. Senate, Washington, D.C.

DEAR SIR: I have been instructed by Local 999 of Fireman and Oilers Union which represents some employees of the Union Pacific Railroad to write and advise you of our views on the Honorable WAYNE MORSE bill (S. 226) which is before the Senate now.

We are deeply concerned with the welfare of our members and are aware of the good this bill can do to help members who are pensioned or unemployed. We as a group feel that this bill is a great step toward a better future for the people and the railroadman.

We urge you to give careful consideration and support to this bill.

Thank you,

JAMES A. NEWBOLD,
Recording Secretary.

RAILROAD YARDMASTERS OF AMERICA,
GENERAL GRIEVANCE COMMITTEE,
UNION PACIFIC SYSTEM,
Salt Lake City, Utah, February 21, 1959.

Hon. FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: On behalf of the employees of the Union Pacific Railroad Co., represented by this organization, we urgently request that you vote for S. 226, a bill to amend the Railroad Retirement Act, Railroad Retirement Tax Act, and Railroad Unemployment Insurance Act.

Yours truly,

W. A. SNYDER,
General Chairman.

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION,
LOCAL UNION NO. 92,
Salt Lake City, Utah, February 23, 1959.

Senator FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: In behalf of the Sheet Metal Workers Local No. 92, we endorse Senate bill 226, to amend Railroad Retirement Act, Railroad Retirement Tax Act, and Railroad Unemployment Insurance Act.

We believe that, with so many of our railroad workers who have been working for many years, who now are being furloughed, and their age being a handicap to gain other employment, that the passage of this bill is necessary.

Hoping that you will take this into serious consideration, I remain

Very truly yours,

THOMAS H. WILLIAMS,
Recording Secretary.

BROTHERHOOD OF RAILWAY AND STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS, AND STATION EMPLOYEES,
GOLDEN SPIKE LODGE NO. 926,
Roy, Utah, March 3, 1959.

Senator FRANK MOSS,
U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: By directive of the unanimous vote of the members present at the last regular meeting of the above lodge, your attention is called to Senate bill 226, which provides for certain amendments to the Railroad Retirement Act and the Railroad Retirement Tax Act.

We urgently request that you give this bill the benefit of your active support and favorable vote, as opportunities arise for you to do so.

Sincerely and fraternally,

UDELL F. KEARL,
Secretary-Treasurer.

BROTHERHOOD OF RAILWAY AND STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS, AND STATION EMPLOYEES,
SYSTEM BOARD OF ADJUSTMENT NO. 83,
Ogden, Utah, March 18, 1959.

Hon. FRANK E. MOSS,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR: Before the Congress of the United States are companion bills, H.R. 1012 and S. 226, designed to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act in such manner as to extend the benefits and provisions of this legislation to a more equitable basis with current economic conditions and, at the same time, to wipe out the deficit occurring under the present unusually heavy demands on the system.

The members of this organization (the largest of all standard railroad labor organizations), comprising a substantial block of your constituency, are the beneficiaries of these acts, and, as such, contribute to the well being of our State and our local economy.

We urge your serious consideration of this legislation and we call upon you to assist with the passage of Senate bill S. 226 in every way possible.

Your advice of the status of this legislation and your comments will be appreciated.

Yours very truly,

LLOYD C. MURDOCK,
General Chairman.

BROTHERHOOD OF RAILWAY AND STEAMSHIP CLERKS,
FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES,
RAILWAY EXPRESSMEN'S LODGE 2018,
Salt Lake City, Utah, March 23, 1959.

Senator FRANK E. MOSS,
Washington, D.C.

HONORABLE SENATOR: We understand Senate bill S. 226 will be up for consideration soon. As legislative representative of Express Lodge 2018 it is desired that you give your support to the enactment of this legislation thereby giving railroad and express workers and their families fair treatment.

We also thank you for anything you do to help pass this measure.

Very truly yours,

G. K. JENSEN,
Legislative Representative.

BOUNTIFUL, UTAH, *March 24, 1959.*

Hon. FRANK E. MOSS,
U.S. Senator, Washington, D.C.

DEAR SENATOR: I am writing in regard to proposed bills H.R. 1012 and S. 226 pertaining to increased benefits of the railroad retirement and unemployment insurance.

I have before me the benefits and costs of these proposed bills. I have contacted a number of my fellow workers and they are of the same opinion as myself. The increase

of 10 percent in annuities is needed very badly. The retired people are in a terrible squeeze, as you are fully aware of, in this mounting inflationary whirl. I am not speaking for myself at the present time as I am only 48 years old and all of this setup may change before I ever reach retirement age. The increase to us working in the railroad industry, so far as the additional costs are concerned, is small. I say this from the standpoint that we are all faced with the outlook of getting old and needing some sort of help.

In closing I urge you gentlemen to adopt these bills and reject the proposals of bill S. 987 as sponsored by railroad management. Those of us working can well afford the increase in costs and according to the profits of the railroads, they can afford the increase also.

Very truly yours,

GLENN E. FOX.

MORONI, UTAH, *March 10, 1959.*

Hon. FRANK E. MOSS,
Washington, D.C.

DEAR SENATOR: I am writing to ask that you do everything possible to support Senate bill 226 and H.R. 1012 now being heard in Washington, D.C., by the Labor and Public Welfare Committee of the U.S. Senate and by the Interstate and Foreign Commerce Committee of the House of Representatives. It would require each railroad employee to pay an additional tax on $400 rather than on the present $350 per month of his earnings.

Although I am just a railroad employee I believe this to be a good measure because it will also allow an increase in the annuity payments when we retire. This small increase at the present time is worth it and can be met while we have the ability to earn. Thank you.

Sincerely yours,

F. A. CHRYST.

SALT LAKE CITY, UTAH, *March 5, 1959.*

Hon. FRANK E. MOSS,
Senate Office Building,
Washington, D.C.

MY DEAR MR. MOSS: From May, 1917, to October 1949, I was an employee of the Union Pacific Railroad in its special agents' department. In October 1949, I was elected to the office of full time president of the Railway Patrolmen's International Union, AFL–CIO, which office I held till October 1956 at which time I retired, age 68. It goes without saying that both the wife and I are particularly interested in the enactment of amendments to bring equity and fair treatment to retired railroad workers, and the purpose of this letter is to remind you, though I doubt whether reminding is needed, not to overlook giving your serious consideration and your able support to the enactment of pending Senate bill 226, for which, we assure you, we shall deem ourselves deeply indebted to you.

From the time of enactment of the Railroad Retirement Act till the time of my retirement, to assist in financing this retirement program, deductions were withheld monthly from my paychecks. It should therefore be kept in mind that this program, including amendments contained in Senate bill 226, is self-financing, operating without Federal subsidy of any kind.

Again thanking you for this as well as for past considerations.

Respectfully and sincerely yours,

CULBERT BOWEN.
JEAN A. BOWEN.

MILFORD, UTAH, *April 12, 1959.*

Hon. FRANK E. MOSS,
U.S. Senator,
Senate Office Building,
Washington, D.C.

MY DEAR MR. MOSS: I am taking this opportunity to ask your support of H.R. 1012, which provides for increased railroad retirement benefits. As a retired railroad man I find it increasingly harder to meet my actual needs on what I get.

In these times of extremely high costs of living, people working for a living get raises in wages, many on escalator clauses of their agreements with their employers, based on the cost of living increases. Nothing has been done for us that have retired.

Hoping that you will take this request into consideration, I am

Respectfully yours,

E. G. WALKER.

Mr. MOSS. Mr. President, in conclusion, I point out that the railroad industry and its workers are essential to a healthy national economy and a strong national defense. I hope this bill to strengthen the railroad retirement and unemployment insurance system will pass without any delay.

Mr. MORSE. Mr. President, I ask unanimous consent that when the bill is passed the Secretary of the Senate may be authorized to make clerical and technical corrections in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. I merely wish to say that last year I was a member of the Railroad Retirement Subcommittee.

Mr. MORSE. Before the Senator says another thing I should like to say something. He was a member of the Railroad Retirement Subcommittee, and a very helpful member. Let me tell the Senate, without employing the colloquialism I was about to use, that what he kept pressing upon me as did the Senator from Colorado also, was the question, Is this bill actually sound? Do we have a sound bill? He was very helpful in getting agreement among all concerned so that we now have a bill which is actuarially sound.

Mr. THURMOND. I wish to commend the senior Senator from Oregon for his hard and intelligent work on the bill. I am pleased that it has been possible to bring out an actuarially sound bill, a bill which will be of benefit to all concerned.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

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

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to table was agreed to.

RESOLUTIONS ADOPTED BY AMERICANS OF UKRAINIAN DESCENT

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me in connection with some resolutions adopted by Americans of Ukrainian descent. I also ask unanimous consent that the resolutions, dealing with our relations with the Soviet Union, be printed in the RECORD at this point.

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

STATEMENT BY SENATOR DIRKSEN

Over the Washington Birthday weekend the Ukrainian Congress Committee of America held its Seventh Triennial Congress of Americans of Ukrainian Descent at the Statler Hilton Hotel in Washington, D.C. The Ukrainian Congress Committee of America is the national organization which unites all American groups and organizations of Ukrainian ancestry. It represents about 2½ million American citizens with certain well-founded thoughts and sentiments toward Eastern Europe and Russian Communist imperialism.

This national organization is led by Dr. Lev E. Dobriansky, its national chairman, and also a professor of economics at Georgetown University. It has been my pleasure for many years to know the activities of this organization in behalf of our national security interests. The work of its membership in Chicago, under the able leadership of Mr. John Duzansky, president of the League of Americans of Ukrainian Descent, has always been of particular interest to me.

The Seventh Congress of Americans of Ukrainian Descent unanimously passed a body of resolutions dealing with U.S. foreign policy. These resolutions are of particular importance to all Americans who closely follow U.S. relations with the Soviet Union. Needless to say, they are deserving of the studied interest of all Members of Congress. I request that these resolutions be printed in full.

RESOLUTIONS OF AMERICANS OF UKRAINIAN DESCENT AT SEVENTH TRIENNIAL CONGRESS, FEBRUARY 21–23, 1959, WASHINGTON, D.C.

The Seventh Congress of Americans of Ukrainian Descent, representing all the social, political, and scientific forces of the Ukrainian-American community, gathered on the birthday of George Washington and also in the month of the anniversary of one of the greatest statesmen of this country, Abraham Lincoln, unanimously decided:

1. In the years between the sixth and seventh congress (1955–59), the tension between the Russian Empire and the free world, headed by the United States of America, has not diminished;

2. The Bolshevik leaders of the U.S.S.R., having somehow alleviated their internal crisis in the empire, have directed the Bolshevik aggression against Western Europe, demanding from the governments of the free world freedom to transform Western Berlin into a Russian springboard for the conquest of Western Europe;

Simultaneously Moscow, wearing an anti-colonial mantle, is instigating among the Asian and African peoples, endeavoring to conquer them by masking its Russian colonialism with international communism;

3. By negotiating with respect to coexistence and economic competition between the United States and the Soviet Russian imperialist tyranny, which tactics Moscow interjects constantly, the free world will not succeed in averting the final onslaught on freedom by bolshevism. The smallest concession in the Berlin matter will be a repetition of the Munich of 1938, which led to the outbreak of World War II;

4. Taking this into consideration, the Congress calls to the attention of the U.S. Government the fact that all support and attempts to preserve a great and indivisible Russia is a great error which the imperialist strategists of the Kremlin are utilizing in their struggle against the free world and

for the enslavement of peoples and countries. We are convinced that Bolshevik aggression can only be stopped by the resolute stand of the United States of America in cooperation with and support of the peoples and nations enslaved by Russia. We are convinced again that only a full recognition of the natural right to national and political independence of the enslaved nations by Russia in various times—especially when in 1917 these nations, through their national revolutions, attained their national independence and sovereignty—could provide the basis for a successful policy and struggle against bolshevism.

5. Therefore, we are certain that the aggression of the U.S.S.R. should be answered by a most decisive counteraction of the United States of America and other free governments of the world, including the eventual breaking off of diplomatic relations with the U.S.S.R., and at the same time a clarifying of the policy and stand with respect to the aspirations of the nations enslaved by Moscow, aspirations to freedom and independence, which aspirations are based on the principles of the American Declaration of Independence;

6. The Congress believes that in the present cold war and with regard to the Soviet Russian aggressions which began immediately after World War II, a dynamic policy of liberation with respect to the nations enslaved by Russia will strengthen the power and prestige of the United States in the world, while planned and consequential policy of supporting the enslaved nations in their struggle for independence could solely oppose the traditional imperialist policy of Moscow in creating new nuclei of unrest and blackmail in the world;

7. In accordance with this approach we should deepen our understanding not only of the Russians, but of the non-Russian peoples, who are forced to live in Soviet Russian slavery and oppression.

In order to achieve the desired objectives, a series of measures should be undertaken by the U.S. Government:

(a) With a more imaginative and dynamic policy toward the U.S.S.R., restoration and expansion of the broadcasts of the Voice of America to all the non-Russian nations of the U.S.S.R. The recent elimination of the Uzbek language of the Voice of America system, as well as the curtailment of the Estonian, Latvian, Lithuanian and Ukrainian broadcasts of the Voice of America, constituted an irreparable blow to American prestige and leadership, and indirectly helped Moscow strengthen its grip over the enslaved non-Russian nations;

(b) Publication of the USIA magazine Amerika not only in the Russian language, but in the languages of other republics of the U.S.S.R., especially the Ukrainian language. Such initiative would remove the suspicion that the U.S. Government is sanctioning the Russification policy of Moscow with respect to the non-Russian nations within the U.S.S.R.;

(c) Furthermore, to support, both morally and materially, legislation providing for the erection of a statue of Taras Shevchenko, Ukraine's greatest national poet, in Washington, as tribute for his work in the cause of freedom on the occasion of the 100th anniversary of his death in 1961;

8. Intercession on the part of the Government of the United States of America with the Soviet Government in the matter of restoration of religious freedom in the U.S.S.R., especially, the full restoration to freedom of the Ukrainian Autocephalic Orthodox Church and the Ukrainian Catholic Church, both of which were ruthlessly destroyed, their hierarchs and clergy and faithful either imprisoned or destroyed, and as a result of which the Ukrainian churches were driven underground;

9. Opposition to any peaceful coexistence policy which serves only the present Russian Communist leadership as a means to disarm the West and thus enslave it piecemeal.

In this respect we support the recent report of the American Bar Association which stresses that only the alternative to a surrendering peaceful coexistence is not world war III, but a reasonable course of action which would check Moscow in its traditional policy of creating sore spots in various parts of the world and capitalizing upon them by threatening the neutral and noncommitted nations with atomic destruction.

10. In view of the confessions of genocide made by Nikita S. Khrushchev at the XXth Congress of the Communist Party of the Soviet Union in February 1956, ratification by the U.S. Senate of the Genocide Convention, and an investigation on the part of the United Nations into the crimes of genocide committed by the U.S.S.R. since 1917;

11. Display of sympathetic understanding on the part of the U.S. Government to the cause of liberation of the nations enslaved by Moscow, and to their aspirations to independence. This would embrace the understanding that the U.S.S.R. is not Russia, and that not all the inhabitants of the Soviet Union are Russians. On the contrary, more than 50 percent of the population of the Soviet Union consists of the enslaved and conquered non-Russian nations, which are waging an undying struggle against the Russian enslaver;

12. We note with indignation that the imperialistic policy of the U.S.S.R. has found moral support among the Russian emigres in the United States, in the form of an ultimatum of 23 Russian organizations, which, at their meeting on August 2, 1958, appealed to President Eisenhower of the United States not to support the natural liberation struggle of the peoples enslaved in the Russian empire, calling such process a "dismemberment of Russia," and threatening that unless the United States withdraws its support of the enslaved peoples, "the Russian people will defend the Soviet Government."

13. To express gratitude to Governors and State governments and to mayors of cities who, understanding the struggle of the Ukrainian people for freedom, statehood, and independence, proclaimed January 22 as Ukrainian Independence Day to commemorate the 41st anniversary of Ukrainian independence.

Likewise, the Seventh Congress of Americans of Ukrainian Descent expresses gratitude to many U.S. Senators and Congressmen for their statements and declarations made on that day in Congress.

It unanimously supports the Bush-Javits resolution, which would have the U.S. Government permanently proclaim January 22 as Ukrainian Independence Day to be observed throughout the country;

14. Because at this time the AFL–CIO, especially under its president, George Meany, conducts a brave and courageous policy with respect to Russian imperialism and against its slave system and defends the right of Ukraine and other enslaved nations to full liberation, the Seventh Congress of Americans of Ukrainian Descent unanimously decides to express its support of the stand of the AFL–CIO and its president George Meany and recommends to the new executive board of the Ukrainian Congress Committee of America to maintain constant relations with this organization and its leaders, who represent the true conscience of the labor movement of America.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate of the possibility that when we conclude consideration of the supplemental appropriation bill, we may proceed to the consideration of the following measures, but not necessarily in the order in which I list them:

Calendar No. 143, S. 994, to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho under Federal reclamation laws.

Calendar No. 145, H.R. 3293, to authorize the construction of modern naval vessels.

Calendar No. 174, S. 455, to provide for the appointment of an assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of exchange of persons programs and administrative cooperation between staffs engaged in carrying out such programs.

Calendar No. 175, H. Con. Res. 34, favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C.

Calendar No. 182, S. 753, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups and for other purposes.

Calendar No. 183, S. 690, to provide for the increased use of agricultural products for industrial purposes.

Calendar No. 184, S. 1289, to increase and extend the special milk program for children.

Calendar No. 185, S. 1120, to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

Calendar No. 186, S. 1062, to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

Calendar No. 195, Senate Resolution 96, favoring an international agreement for a suspension of nuclear weapon tests.

Calendar No. 206, S. 1434, to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes. That bill will be held up for a few days at the request of the Senator from Delaware [Mr. WILLIAMS], who needs some additional information.

It is possible that any or all of these bills may be brought up on motion when we conclude the consideration of the supplemental appropriation bill.

ORDER FOR ADJOURNMENT UNTIL 10:30 O'CLOCK TOMORROW MORNING

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 10:30 o'clock tomorrow morning.

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

SECOND SUPPLEMENTAL APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H.R. 5916), making supplemental appropriations for the fiscal

year ending June 30, 1959, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOUGLAS. Mr. President, my amendment calls for the elimination of the added appropriation of $4 million which the Architect of the Capitol is insisting upon for the new subway.

I thank the distinguished Senator from Arizona [Mr. HAYDEN], the chairman of the committee, for making available in the well of the Chamber the map showing the old subway and the new subway. I may say I have inspected the new subway on foot and in great detail, so I think I know what I am talking about.

A few facts are very important, namely, that $2,103,729 has already been spent on the new subway. An additional sum of $246,000 has already been appropriated for it, so the subway, as it has been constructed to date, will cost $2,349,000, or roughly $2,350,000.

Now it is proposed to spend $4 million more, or a total of $6,250,000.

I shall indicate on the map some of the details of the subway construction. While the subway was being constructed, I had expected, and I think almost everyone else had expected, that it would join the existing subway at some point and that the two would have a joint terminus. To my amazement, when I went down into the subway yesterday morning, I found that this is not the case. The subway runs under the Capitol grounds and then stops directly facing the Senate wing of the Capitol. A spur was constructed from the rotunda in the basement of the Old Senate Office Building to run into the new subway line, so that the new subway from the old office building is made a subsidiary of the new subway. It becomes 4 tracks from that point. I do not know what will happen to the present subway but obviously it will be rendered useless.

Then the plans call for the extension of the new subway from its present dead end to underneath the steps of the Senate wing; and in the process of that construction the steps of the Senate are to be torn down, the walls reconstructed, and a new terminal built, which will rival the Moscow subway, according to the plans which I have seen. The present subway will then be left all alone. I do not know what it will be used for. It will simply be a hole in the ground, and there will be two subways, more or less, side by side.

What are the arguments for the proposed construction? One argument is that it will save steps; that Senators coming out underneath the present Senate stairs can move directly into the elevator and come up into the Capitol Building. How many steps will this save as compared with the distance from the present terminal? I paced off the distance yesterday and found it will save 50 steps.

As a general rule, I think it is good for us to walk. Exercise is one of the things we Senators normally miss. To spend $4 million in order to save 50 steps, at a cost of $80,000 a step—steps which we should take anyway—seems to me somewhat exorbitant.

It is said that the steps outside the Senate wing will fall down some day and that they had better be repaired now. I do not know whether that is the case. I should like to see a very thorough engineering report before we commit ourselves.

The point I wish to make can be stated very briefly. I think the Architect has exceeded his authority. Instead of making it possible to join the two subways at a common terminal, he has proceeded according to an entirely different plan. Now he virtually faces us with an accomplished fact and, in effect, says: "You must go through with this plan, or else all the new construction will go to waste."

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

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DOUGLAS. I am glad to yield.

Mr. LAUSCHE. Why was the new subway brought to such an awkward and unusable state?

Mr. DOUGLAS. I cannot speculate as to that. I think it has been a great blunder. If I may be brutal, I think the Architect may have done it by accident or design in order to confront us with the fact that, since it was obviously incomplete, and ended in a blank wall, we would have to give him more money to finish it.

Mr. LAUSCHE. Will the Senator from Illinois state the cost of the part of the subway which has been completed?

Mr. DOUGLAS. Two million three hundred and fifty thousand dollars. The Senator from Ohio has touched on a very good point.

Mr. LAUSCHE. What will be the cost of this unfinished segment?

Mr. DOUGLAS. Four million dollars. In other words, it will cost almost twice as much to finish it as it has cost to construct this whole area.

Mr. LAUSCHE. Has the Senator from Illinois ever been acquainted, until recently, with the fact that the new subway ended in this unusable, awkward manner?

Mr. DOUGLAS. No. Perhaps I assumed too much; I assumed, as the subway was being built, that it would curve in, and would join the existing subway, and that the two would have a common terminal—that we would be able to use the old subway in going to the Old Senate Office Building, and would be able to use the new subway in going to the New Senate Office Building, and that the two subways would share a common terminal. But, instead, we find that it is proposed to scrap the old subway; and we are told that the new subway must have a new approach to the Senate wing.

Mr. LAUSCHE. Am I correct in understanding that the new subway which has been constructed, and which has generally been regarded as the means of conveyance from the New Senate Office Building to the Capitol, has cost in excess of $2 million?

Mr. DOUGLAS. Yes, $2,350,000.

Mr. LAUSCHE. And now we are confronted with the proposition that in order to finish it, we must spend $4 million more?

Mr. DOUGLAS. That is correct. That is what I am trying to eliminate. Something must be done to cure this architectural bungle; that is perfectly true.

Mr. STENNIS. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Yes.

Mr. STENNIS. I do not intend to engage in general debate at this point. But before we leave in the RECORD a charge of willfulness on the part of the Architect—a man whom I hardly know—or of willfully putting the Senate in a hole in connection with this matter, so that we would have to give him more money——

Mr. DOUGLAS. If I said "willful," I withdraw the word, I say it was either by accident or by design.

Mr. STENNIS. Does not the Senator from Illinois know that this situation was brought about by the Senate itself, in abandoning the original plans for the east wing of the Capitol, and in leaving out of those plans the garage feature, of which the entrance at this particular point is a part? Is that not correct?

Mr. DOUGLAS. Now the Senator from Mississippi is coming to a very vital point. I think the Architect of the Capitol, who has large and expensive designs, wants an underground garage constructed; and I think he wants the terminal to be built at this point, and wants to tear down the existing Senate steps and to reconstruct the walls, as a partial step toward the construction of an underground garage. This is one of the things about his policy to which I object—namely, that he would commit us to one appropriation which can be justified only if we take a second step; and then, if we take the second step, he says we must proceed to the third step.

Mr. STENNIS. I understand that the Senator from Illinois withdraws any charge or implication of "willful."

Mr. DOUGLAS. Yes; I do.

Mr. STENNIS. I thank the Senator from Illinois.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. SALTONSTALL. I am not a member of the Building Commission. I am a member of the legislative appropriations subcommittee, of which the distinguished Senator from Mississippi [Mr. STENNIS] was the chairman last year. It is my understanding—I say this in answer to the question asked by the Senator from Ohio of the Senator from Illinois—that the old subway tunnel, which is shown on the left in the plan which now is displayed in the Chamber, is to

be used for general utility purposes and storage purposes, and not for a subway; and I understand that the new subway has been built as far as it has under the direction of the Commission, under whose direction the New Senate Office Building was constructed, and that the new subway was built by using part of the funds which were appropriated for construction of the New Senate Office Building.

As will be recalled, last summer we had a long debate in regard to extending the east front of the Capitol. The completion of the subway was to be a part of the work on the east front of the Capitol, together with the proposed underground garage which the Senator from Mississippi has just now described. When we finally passed the measure, it called for the work on the east front of the Capitol; and the garage feature was given up, and no funds for it were ever included.

Mr. DOUGLAS. That is correct.

Mr. SALTONSTALL. So no funds have been appropriated for completion of the tunnel which we are now asked to complete.

I also understand that if the Senator from Ohio and the Senator from Illinois will turn to page 38 of the supplemental bill, they will see a breakdown of the $4 million. I understand that some of that money—not a great part of it—is to be used to restore the steps, which now are in bad shape. That situation has been discovered, and at some time or other it must be corrected.

So I would say to the Senator from Illinois, whom I know is very sincere in his efforts to reduce expenditures, that the east front of the Capitol is being constructed under the supervision of the Commission, and the New Senate Office Building was built under the supervision of another Commission. The New Senate Office Building has been completed, and this part of the tunnel has been completed.

The plans in connection with the east front were changed at the last moment, some time last August; and the garage part was omitted. Consequently, no funds were appropriated to finish the tunnel or to have it extended. That is why I voted, in the committee, for the $4 million item, which includes $325,000 for reconstruction of the Senate wing steps.

Mr. DOUGLAS. I understand that my good friend, the Senator from Massachusetts, states that there is no authorization for an underground garage.

Mr. SALTONSTALL. That is my understanding. It was eliminated last year.

Mr. DOUGLAS. If there is no authorization for an underground garage, then there is no moral obligation upon us—unless we approve an item for an underground garage—to vote to extend the subway, so as to facilitate construction of an underground garage in the future.

Mr. SALTONSTALL. Except that we now have a tunnel which ends in a blank wall, and all Senators who come to the Senate from the New Senate Office Building will have to walk underneath and come over to the old tunnel.

Mr. DOUGLAS. That is the point I make—namely, that—whether by accident or by design—the Architect has confronted us with a situation in which we face a blank wall, instead of making a connection—which would be very easy—with the existing subway, at a common terminal. So he has gotten us into an apparently impossible position.

I am suggesting that we not vote for this appropriation at this time, but that it be studied, and that we let public opinion play on this situation for a time, and see whether we can work out an arrangement, so that, instead of tearing everything to pieces, we can join the two tunnels at the present terminal, even though that would cause us to walk 50 extra steps.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield for an explanation?

Mr. DOUGLAS. Certainly.

Mr. SALTONSTALL. The map which is displayed in the Chamber shows a double line coming to the "Y." As I understand, the present subway terminal is not large enough to accommodate a turn around for both.

Mr. DOUGLAS. It could be made large enough. It has been proposed that we spend $4 million to extend this one about 200 feet. It is perfectly true that probably more money will be needed; but I doubt seriously whether $4 million is needed.

My motion is to postpone this item, and to let it be studied, and to let more detailed recommendations be brought in.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS of Delaware. The Senator from Illinois has called our attention to a matter which I believe should be thoroughly examined by the Senate before it votes on this item. The Senator from Illinois has said that the Architect, either by accident or by design, has gotten us into this position. Do I correctly understand that the Architect devised this plan without consulting the Building Commission? There is a Building Commission. Did the Building Commission approve the change; or was the change made without approval by the Building Commission? That is an important question which should be answered. The Senate as well as the Architect has some responsibility on this fiasco and I want to hear from the Building Committee.

Mr. DOUGLAS. I am not a member of the Commission, and I cannot speak to that point.

Mr. ALLOTT. Mr. President, I am a member of the Building Commission and I have been for the last 2 months. So at least that will spare me from the wrath of my friend, the Senator from Illinois.

Mr. DOUGLAS. I have no wrath against anyone.

Mr. ALLOTT. As I understand the situation, it is as the Senator from Massachusetts has said.

The part shown in white on the map, on the farther side of the street from the Capitol steps, has been constructed or substantially constructed now for several months.

When this matter came before the Building Commission and also before the Appropriations Committee, it was discussed at great length.

There is one situation which I believe should be brought out here: In the committee we had numerous photographs of the area under the east steps of the Senate wing. The photographs show—as was observed by those who examined them—that the substructure there has cracked very badly, and is in danger of collapsing.

That is not true of the steps on the House side. Apparently, at some time there was a subterranean leakage of pipes or sewers, which, over a period of years, have completely cracked the foundations, and before long a reconstruction of that structure will be necessary.

When the Architect appeared before the Appropriations Committee, he stated that the steps, in any case, would have to be redone. These steps are marble.

Page 38 of the report states that the existing granite steps should be replaced with marble steps. That is an error and the words should be reversed. The present marble steps should be replaced with granite steps. I think the report should be corrected to that extent.

I hold in my hand some of the numerous pictures which were given to us by the Architect, which show large cracks in the understructure of the steps, and which will have to be repaired. The Architect said it would have to be done some time.

So far as concerns what was originally contemplated for the subway, I cannot add anything to the discussion except to say it was always my undersanding that the present subway would have to be abandoned because of the very high cost of operating and maintaining the present cars, and that there would be a branch off the Old Senate Office Building which would come into a common tunnel.

Mr. DOUGLAS. If my friend from Colorado will look at the breakdown of the estimate of expenses as it appears on page 1186 of the hearings, he will find that the estimate for the demolition and reconstruction of the Senate wing east steps is $325,000 out of a total estimate of $4 million. The major cost of the work is for structural work; general finish work; relocation of water, sewer, and steam lines, sprinkler and drainage systems; mechanical work, air-conditioning and heating; electrical work, lighting, power, trolley extension, signal system, and other miscellaneous work; architectural and engineering fees, administrative, and contingencies.

Mr. ALLOTT. May I call to the Senator's attention the first item in the breakdown? As I have said, I cannot throw any light on the subject. I do not know whether it was originally intended that the two tunnels would meet at a juncture with the old subway, or whether it was intended to have the

subway end under the Capitol steps. However, it will be seen that $2½ million of the total $4 million is for structural work, such as sheet piling, excavations, foundations, concrete floors, walls and roof, which I assume would be necessary for the tunnel work. Another item is for underpinning the east wall of the Senate wing of the Capitol.

Mr. DOUGLAS. Part of it is for the extension of the tunnel, but part of it also is for a very elaborate new terminal. In this connection, I think the $2,350,000 to bring the tunnel to the point I indicate is quite high, but to spend $4 million to bring it another 200 feet is, I think, excessive.

Mr. President, I have no desire to continue to hold the floor on this matter.

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

Mr. DOUGLAS. I yield.

Mr. HENNINGS. I am not a member of the Building Commission, and never have been, but I wanted to inquire as to whether or not the projection to which I now point, from the contemplated new tunnel to the old tunnel, is part of the plan.

Mr. DOUGLAS. The symbols indicate that we would have to walk from the point I indicate to the point where I am now pointing.

Mr. HENNINGS. I am indicating the terminus of the proposed "Y" subway construction. If this portion were to be used, Members would take cars from the point which I now indicate and proceed in this manner, and then possibly walk from this point——

Mr. DOUGLAS. No; they would not walk.

Mr. HENNINGS. How would they get there?

Mr. DOUGLAS. More dirt could be excavated from this point to get a bend in the line, as is true of the present subway, and they could join.

Mr. HENNINGS. Of course, that would involve an engineering problem.

Mr. DOUGLAS. I am not an engineer, of course, but I think it is fairly obvious it could be done.

Mr. HENNINGS. The link is not here at the present time; it is indicated on the diagram.

Mr. LAUSCHE. Is the link constructed?

Mr. DOUGLAS. No.

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

Mr. DOUGLAS. I yield.

Mr. SALTONSTALL. Reference was made to the fact that plans for the garage were abandoned. The word "abandoned" may be technically correct, but it is my understanding that some of the underpinning going into the terminal will be constructed in such a manner that if a garage is ever authorized, it will not be necessary to have a new excavation, and that the present excavation can be used if a garage is constructed. As the Senator knows, plans for the garage were abandoned last summer in the bill.

Since I discussed the matter previously with the Senator, I have been informed that the new tunnel was started before the Architect knew the garage was not to be built. Therefore, the tunnel was designed to save money, so that it would not go through the garage. Then it was decided to abandon plans for the garage.

Mr. DOUGLAS. You say the Architect drew the plans and started carrying out the plans before he knew the garage was not to be constructed, and has made no change in construction plans, even though he has had since last summer to change the plans, and has proceeded until he has brought us up against a blank wall. It seems to me the Architect ought to know what the Senate has decided to do, and that he should not live in complete ignorance of the facts of life.

Mr. President, I think thus far the discussion has been taken out of my time, but I think at least half the actual time has been taken by other Senators. I wonder if the Senator from Arizona is willing to have the time taken up to the present time charged equally to both sides. Then I shall be glad to yield.

May I ask the Chair how much time remains?

The PRESIDING OFFICER. The Senator from Illinois has 1 minute remaining to him.

Mr. HAYDEN. Mr. President, a half hour to each side was allocated. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HAYDEN. Suppose we agree that the Senator from Illinois may have 10 minutes to close.

Mr. DOUGLAS. Very good.

Mr. WILLIAMS of Delaware. Mr. President, I notice that the chairman of the building committee is on the floor. I should like to have an answer to one question. Were these plans changed from the original specifications? If so, were they changed with or without the approval of the building committee?

Mr. DOUGLAS. I also have another question: Were the plans changed when the plans for a garage were abandoned, or did they continue?

Mr. WILLIAMS of Delaware. That is correct; and whether or not the Architect proceeded on his own or whether it was done with the full approval or instructions of the building committee. There is a Senate building committee. I think we have a right to know the answer to that question. I wonder if the chairman would furnish us with that information. Who is responsible?

Mr. DOUGLAS. Please do not invite the building committee to bail out the Architect.

Mr. WILLIAMS of Delaware. I am not excusing anyone; but we have a committee of the Senate which was in charge of the building. As members of that committee, they cannot shirk their responsibility. A serious question has been raised. Perhaps the Architect exceeded his authority. If so, we should know it. I think the Members of the Senate have a right to know whether this was done over the objection of or with the approval of the committee.

Certainly someone can answer this question.

I am in favor of holding up these appropriations until full responsibility has been established.

Mr. HAYDEN. I should like to point out that the authorization for the "Extension of the Capitol Project" is carried in the Legislative Appropriation Act, 1956, Public Law 242, August 5, 1955, 84th Congress, as amended by Public Law 406, 84th Congress. Public Law 242 provides for the extension, reconstruction, and replacement of the central portion of the Capitol in substantial accordance with an approved architectural plan, but "with such modifications and additions, including provisions for restaurant facilities, and such other facilities in the Capitol Grounds, together with utilities, equipment, approaches and other appurtenant or necessary items, as may be approved by said Commission.

That is the authority.

On March 25, 1959, the Commission addressed a letter to Mr. Stewart, the Architect of the Capitol, as follows:

> Pursuant to the provisions of Public Law 242, 84th Congress, as amended by Public Law 406, 84th Congress—
>
> You are hereby authorized and directed to submit to the Senate Committee on Appropriations, for consideration for inclusion in the Second Supplemental Appropriation Bill, 1959, an estimate of appropriation in the amount of $4 million, for the extension of the Capitol project, to provide for the design and construction of a subway terminal for the new Senate subway system, to be located under the steps of the Senate wing of the U.S. Capitol, and extension of the new Senate subway into the Capitol Building, to be designed in such a manner as to permit of the future construction of a garage beneath the Capitol Plaza, if hereafter approved; also, the reconstruction of the steps of the Senate wing of the Capitol and their substructure, which are presently in a deteriorated condition, replacing the present marble steps with granite steps.
>
> Upon availability of the appropriation herein requested, you are authorized to proceed with the design and construction work, herein approved, at a cost, including architectural and engineering fees, not to exceed $4 million.

The letter is signed by SAM RAYBURN, the Speaker of the House of Representatives; RICHARD NIXON, the President of the Senate; EVERETT DIRKSEN, the minority leader of the Senate; CHARLES HALLECK, the minority leader of the House; and by the Architect. That is the Commission for the Extension of the Capitol.

In other words, we proceeded under the direction of the New Senate Office Building Commission to construct the tunnel up to this point, which we have done. The remainder of the work comes under another authority of law, directed from another authority entirely.

Mr. CHAVEZ. The Senator is correct. The Senate Office Building Commission only had authority to go as far as it went. That is now finished. The additional tunnel which is now desired is under the authority outlined by the Senator from Arizona, which is the result of the extension of the Capitol of the United States, which came under a different commission headed by the Speaker of the House of Representatives.

Mr. HAYDEN. The Senator is correct.

Mr. SALTONSTALL. Will the Senator yield for an observation?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. It is my understanding, after talking with the Office of the Architect of the Capitol, that there is one contract for all excavation work. The excavation was started at both ends of the tunnel at the same time.

Mr. HAYDEN. I should like to point out where we are now. Senators who have offices in the New Senate Office Building will have the cars in operation to this point. Those can be put in use. We have to stop right here to allow space for people to get on and off. That would mean one could not take advantage of the track going through here. There would be no advantage to that. Anyone having offices in the Old Senate Office Building would continue to use the old cars.

We will have an investment in a wider tunnel and in the cars and the tracks of the tunnel which will be absolutely useless until the work is done. If we go in here, we construct it with the idea in mind that ultimately a garage could be built in the front. That will fit right in.

There is one other item of importance, and that is the removal of the steps, for which there is provided $325,000. We could possibly go under the steps without moving them, but it would be a very expensive operation, because there would have to be some way of bearing up all the weight. I think we would save money, if we are going to come in that way, to take the steps out, and, when the work is finished, put in the new steps.

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

Mr. HAYDEN. Yes.

Mr. McNAMARA. As I understand the matter, from reading the request to the Appropriations Committee, this is a bipartisan Commission?

Mr. HAYDEN. Yes.

Mr. McNAMARA. It is set up to deal primarily with the extension of the east front of the Capitol?

Mr. HAYDEN. That is correct. This is a part of the extension of the east front.

Mr. McNAMARA. This bipartisan Commission has one Democrat and four Republicans? Am I correct in that, as I heard the Senator read the names?

Mr. HAYDEN. I did not inquire about politics.

Mr. McNAMARA. I am inquiring about politics, because I assumed it was a bipartisan Commission.

Should this not be charged as a part of the cost of the east front extension?

Mr. HAYDEN. It will be.

Mr. McNAMARA. It is not the building or the tunnel, but it is just a part of the extension of the east front of the Capitol?

Mr. HAYDEN. This is a charge against it.

Mr. McNAMARA. As one who has always opposed the extension of the east front of the Capitol, I think this $4 million is being unwisely spent. I thought the original sum was unwisely spent. Now the figure has gone up from $10½ million to $17 million, and does not include the furniture and refurbishing and carpets. Before, when the cost was $10½ million, we thought it was the most expensive building in the history of man so far as usable space is concerned. It is certainly exceeding that.

Mr. HAYDEN. Congress has authorized it, and this is a part of the work.

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

Mr. HAYDEN. I yield to the Senator from Mississippi.

Mr. STENNIS. The Senator from Delaware asked a question, and the chairman of the committee read the answer so far as the Senate Office Building Commission is concerned. I should like to read a portion of the testimony of the Architect before the committee, in which he referred to the action of the Commission on the extension of the east front of the Capitol.

The Chairman of that Commission is the Speaker of the House of Representatives. The second member is the Vice President of the United States. The third member is the minority leader of the Senate. The fourth member is the minority leader of the House of Representatives. The fifth is the Architect.

Mr. Stewart said:

> The Commission on the Extension of the Capitol * * * felt that since we are not going to proceed at this time with the construction of the proposed underground garage beneath the Capitol Plaza, they wanted to go on record that they concurred in the Senate's desire to complete their terminal so they could have the use of it soon, perhaps years in advance of the actual construction of the underground garage.

Mr. HAYDEN. The Senator is correct.

Mr. STENNIS. I submit to the Senate, that is the gist of the situation now.

Both commissions knew all about this at the time and, in effect, ordered that the work be done, subject, of course, to the appropriations being provided.

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

Mr. HAYDEN. I yield.

Mr. DOUGLAS. When did the Senate ever agree to carry through on an underground garage? When did the Senate ever agree to appropriate money for a terminal of this type?

Mr. HAYDEN. We are agreeing to it right now.

Mr. DOUGLAS. I see—but not until now?

Mr. HAYDEN. Not until now. [Laughter.]

Mr. DOUGLAS. If we decide we do not want to agree to it, that is perfectly proper?

Mr. HAYDEN. That is an "if" question.

Mr. DOUGLAS. In other words, we are not bound by anything which has gone before?

Mr. HAYDEN. We are taking a new and perfectly voluntary action here today.

Mr. DOUGLAS. I am glad the Senator said that.

Mr. HAYDEN. That is correct.

Mr. DOUGLAS. It is a very solemn decision.

Mr. HAYDEN. If we do not do it, what will we have? We will have an investment in the cars and tracks and the tunnel for which we will have no use. Everyone in the New Senate Office Building will have to walk 350 feet down and up through a little "rathole."

Mr. DOUGLAS. No. That could ultimately be connected with the present tunnel.

Mr. MANSFIELD. Mr. President, I should like to make a suggestion. If there are any more tunnels to be dug, I suggest that we get some hard rock miners from Butte, Bisbee, and the Coeur d'Alene.

Mr. MURRAY. Mr. President, if this job were left to the miners of Montana, the connections would have been made without any difficulty whatsoever. The next time there is a program of this kind the junior Senator from Montana should be put on the committee. Then no mistake will be made.

Mr. MANSFIELD. Whether the Senate gets the money for the tunnel or not, the steps will have to be propped up.

Mr. HAYDEN. There is no question in my mind about that.

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

Mr. HAYDEN. I yield.

Mr. DOUGLAS. After seeing the lack of accuracy on the part of the Capitol Architect in the building of the tunnels, I should like to sprinkle a little salt on the idea of the Senate steps falling down. Eventually, perhaps, in 500 years, they may fall down.

Mr. CHAVEZ. They are falling down right now.

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

Mr. HAYDEN. I yield.

Mr. DWORSHAK. In view of the fact that we have destroyed the traditional charm of the front of the Capitol, and have gotten into a mess over the tunnel, and in every step of the planning for the so-called improvements, might we not consider using the large auditorium in the New Senate Office Building for a Senate Chamber? Then it would not be necessary to use the Capitol at all.

Mr. HAYDEN. I cannot answer "iffy" questions.

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

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Authorization for the extension of the Capitol project is carried in the Legislative Appropriation Act, 1956, Public Law 242, 84th Congress, as amended by Public Law 406, 84th Congress. Public Law 482 provides for the extension, reconstruction, and replacement of the central portion of the Capitol in substantial accordance with an appropriated architectural plan, but "with such modifications and additions, including provisions for restaurant facilities, and such other facilities in the Capitol Grounds, together with the utilities, equipment, approaches, and other appurtenant or necessary items, as may be approved by said commission."

So the recommendations of the Committee on Appropriations are in accordance with that law.

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

Mr. HAYDEN. I yield.

Mr. HENNINGS. I think it is very important for us to understand, in the light of this discussion, whether or not a tunnel, as indicated, between the new project and the present passageway, can be constructed, and if so, under what circumstances, and what would be the cost. The exhibits which I have examined seem persuasive. I am not a member of either the Commission or the committee. The photographs show large gaping cracks and very serious deterioration in the building. I am not a construction engineer or an architect or technically qualified. The assistant minority leader [Mr. KUCHEL] and I were looking at these pictures together. It seems evident that great deterioration is taking place underneath the Capitol structure.

Mr. HAYDEN. If we stop at the point indicated on the chart, we can use only the tracks which go to the new building, because we must leave space to get on and off the cars. It will be observed that the proposed tunnel spreads out at a certain point. Why? To allow space for passengers to get on and off the cars.

If the narrow tunnel were carried all the way through, we would be likely to kill someone as the cars come and go. But if the tunnel is spread out at the point indicated, passengers can get in and out. That is why we have allowed a larger space. From the larger space, passengers can have access to the elevators.

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

Mr. HAYDEN. I yield.

Mr. BRIDGES. I have listened to the evidence in this case. I have listened to plans, and I have listened to all the problems. While I realize that a few mistakes have been made in the new Senate Office Building, they were inevitable in an undertaking of that magnitude. There have been problems which we did not anticipate, but we are in the midst of the program, and we might as well meet the situation. The work on the east front of the Capitol is such as to have an effect upon the Senate steps. I think we might as well do the complete job, and do it right.

A few years ago I stood up in the Senate and said something to the effect that in generations to come the Capitol should become a great historical museum for the people of the United States and of the free world, and that we should build a modern Capitol.

Many of the newspapers ridiculed the idea at the time. They preferred to go ahead with maintenance and repair of the old structure. That is what we are up against today. We might as well face the problem. If we had proceeded in the direction I suggested, at a time when we were spending $65 million or $70 million for a United Nations Building in New York, we could have built a modern Capitol which could have been economically operated, and all activities could be under one roof. Then the present Capitol could have become one of the great historic spots of our Nation.

But the decision was in the other direction. Now we are faced with a definite problem. We might as well meet our responsibilities and go ahead, whether or not, as individuals, we like the idea of the tunnel.

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

Mr. HAYDEN. I yield.

Mr. STENNIS. I should like to say a word in response to the "50-step" argument of the Senator from Illinois. It is not a matter of space. It is a matter of time.

A Senator handed me his schedule for today. At 10 o'clock there was a meeting of the Armed Services Subcommittee in the old building. At 10 o'clock this morning there was a meeting of the Subcommittee on Agriculture of the Committee on Appropriations, in the new building. At 10:30 he had another meeting of a subcommittee of the Committee on Appropriations, namely, the subcommittee dealing with the Department of Labor, the Department of Health, Education, and Welfare, and related agencies. That meeting was in the Capitol.

At 10:30 there was a meeting of an appropriations subcommittee in the new building. At 11 a.m. the Senate met. At 2 p.m. there was another meeting of an appropriations subcommittee in the new building.

There have been some votes this afternoon, and there were some yesterday afternoon. The Senator from Georgia [Mr. RUSSELL], who was holding hearings in the Old Senate Office Building, said that he was interrupted five times to come to the Senate Chamber, four times to vote, and once on another mission.

So it is a question of time. It is time to stand up and tell the American people that these improvements are not for our convenience or comfort. Personally, I never would use the tunnel, unless it were raining, if I had time to walk back and forth. This issue involves a question of meeting obligations in connection with senatorial work, not play.

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

Mr. HAYDEN. I yield.

Mr. DOUGLAS. I have just taken 50 steps in an anteroom, and it required only 25 seconds of time. In the old days I could step off at the rate of 130 steps to the minute. At present, the best I can do is approximately 120. I do not believe that 25 seconds is very important. Also I do not think it is important to try to hide from our constituents. I am perfectly ready to meet them in the subway.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS], striking out lines 2 to 9 inclusive, on page 31.

Mr. HAYDEN. Mr. President, I yield back the remainder of my time, if the Senator from Illinois will do likewise.

Mr. DOUGLAS. Mr. President, I yield back the remainder of my time.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. JOHNSON of Texas. And all the time has been yielded back?

The PRESIDING OFFICER. All time has been yielded back.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Mr. President, do not the dilatory tactics now being used demonstrate the need for a new subway?

Mr. DIRKSEN. I make a point of order on the Senator's inquiry. I ask for the regular order.

The PRESIDING OFFICER. The point of order is sustained. Debate during a yea and nay vote is not in order.

The rollcall was resumed and concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I also announce that the Senator from Nevada [Mr. BIBLE] is absent because of a death in his family. I further announce the Senator from Delaware [Mr. FREAR] is absent because of illness.

The Senator from Indiana [Mr. HARTKE], and the Senator from Oklahoma [Mr. MONRONEY] are necessarily absent.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Indiana would vote "nay."

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD] would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Louisiana would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from South Dakota [Mr. MUNDT]. If present and voting, the Senator from Kentucky would vote "nay" and the Senator from South Dakota would vote "yea."

The result was announced—yeas 39, nays 43, as follows:

YEAS—39

Aiken	Clark	Gruening
Bartlett	Cooper	Hart
Bush	Cotton	Humphrey
Cannon	Curtis	Javits
Case, N.J.	Douglas	Keating
Case, S. Dak.	Dworshak	Kennedy
Church	Goldwater	Langer

Lausche	Muskie	Smathers
McCarthy	Prouty	Talmadge
McNamara	Proxmire	Thurmond
Magnuson	Randolph	Williams, N.J.
Morse	Robertson	Williams, Del.
Moss	Scott	Young, Ohio

NAYS—43

Allott	Gore	Long
Anderson	Green	McClellan
Beall	Hayden	McGee
Bennett	Hennings	Mansfield
Bridges	Hickenlooper	Martin
Byrd, W. Va.	Hill	Murray
Carlson	Holland	Neuberger
Carroll	Hruska	Pastore
Chavez	Jackson	Saltonstall
Dirksen	Johnson, Tex.	Smith
Dodd	Johnston, S.C.	Sparkman
Eastland	Jordan	Stennis
Engle	Kefauver	Symington
Ervin	Kerr	
Fulbright	Kuchel	

NOT VOTING—16

Bible	Hartke	Schoeppel
Butler	Monroney	Wiley
Byrd, Va.	Morton	Yarborough
Capehart	Mundt	Young, N. Dak.
Ellender	O'Mahoney	
Frear	Russell	

So Mr. DOUGLAS' amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I call up my amendment which is at the desk, which I offer on behalf of myself, my colleague [Mr. ELLENDER] and the Senator from South Carolina [Mr. THURMOND], and I ask that it be read.

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

The LEGISLATIVE CLERK. On page 9, line 24, it is proposed to strike out the period and insert in lieu thereof a colon and the following:

Provided, That no part of the funds herein appropriated shall be used for the purpose of reducing the strength of the active Army below 900,000, nor be expended directly or indirectly for the purpose of transporting any person or persons pursuant to any plan or program for reducing the strength of the Army below 900,000.

Mr. LONG. Mr. President, the purpose of this amendment is to carry out the intention of Congress that the Army shall be maintained at a strength of 900,000. Last year, when the Defense appropriation bill for fiscal year 1959 was considered by the Senate-House conference committee, the committee included language in its report directing the Secretary of Defense to maintain Army manpower at 900,000.

I ask unanimous consent that this statement in the conference report be printed at this point in the RECORD.

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

It is the belief of the committee of conference that the national defense requires the maintenance of a Regular Army of not less than 900,000 and it is the intent that the planned strength for fiscal year 1950 be maintained at that level in accordance with the funds provided. (P. 5, House Rept. 2503, 85th Cong., 2d sess., dated Aug. 6, 1958.)

Mr. LONG. I have discussed the amendment with the chairman and members of the Appropriations Committee. It is my understanding that the committee will accept the amendment.

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

Mr. LONG. I yield.

Mr. MANSFIELD. Would the Senator incorporate in his amendment a stipulation that the Marine Corps, in accordance with congressional intent, shall be maintained at 200,000 men?

Mr. LONG. I would have no objection to a similar amendment, but it would have to appear at a different place in the bill.

Mr. DOUGLAS. I hope the Senator from Louisiana will support such an amendment.

Mr. CHAVEZ. It was the intention of both the Committee on Armed Services and the Committee on Appropriations last year to have the number in the Marine Corps fixed at 200,000.

Mr. ELLENDER. Mr. President, I urge Senators to vote for this amendment. It does nothing more than to reemphasize the intent of the Congress as expressed in the regular fiscal 1959 Department of Defense appropriation bill which was passed in the Senate last year.

Senators will recall that when the bill was considered by the Committee on Appropriations, it contained funds—inserted by the House of Representatives when the bill was being debated there—to maintain the Army at a strength of not less than 900,000 during the current fiscal year.

The Committee on Appropriations on which I serve endorsed the House position. We provided sufficient amount for "Army personnel" and "Operation and maintenance" accounts to forestall proposed cuts in Army strength and, in addition, in our report stated as follows:

The committee has approved the action of the House in recommending an increase in the strength of the Regular Army from 870,000 to 900,000, and has agreed to the Department's request to restore to a direct appropriation, $100 million, which the House had provided by transfer.

The Senate approved of our action and passed the bill. When the bill went to conference the Senate's position prevailed.

However, the ink was hardly dry on the act before the President served notice that he would not abide by the wishes of Congress. But, as a result of the crisis in Lebanon, the President found it convenient to have an Army of 900,000 men and kept Army strength at that level until the crisis had subsided. He immediately began reducing the strength of the Army to 870,000 in direct violation of the wishes of the Congress, and the announced intent of the over-budget increase provided in the regular Department of Defense appropriation bill.

The amendment which my colleague and I have offered is, to be perfectly frank, in the nature of a stopgap. It would, in effect, state that the Congress, when acting on the regular fiscal 1959 defense appropriation measure meant what it said in funding and requiring an Army of not less than 900,000.

I remind Senators that while the President, under the Constitution, is Commander in Chief of the Army and Navy, it is the Congress which is charged, under that same Constitution, with raising and supporting armies.

It is my frank intention to raise this issue again when the Defense Subcommittee begin consideration of the fiscal 1960 budget, and I am hopeful that, again, congressional action directed toward eliminating proposed cuts in Army strength will prevail. In any event, I believe it is time that the legislative branch, particularly the Senate, put its foot down and serve notice on the executive branch that we have in the past, and will in the future, exercise our responsibilities in this area of national defense.

I remind the Senate that the May 27 deadline set by Mr. Khrushchev for turning over control of our access routes to Berlin is drawing close. There are ominous rumblings in other parts of the world. I do not believe it would be either prudent or, for that matter, economical for us to at this time permit further reductions in the strength of our Armed Forces.

I cannot help believing that when viewed in this manner the Senate will join me and my junior colleague in assisting to maintain our present defense posture, particularly insofar as the Army is concerned, until such time as we have had an opportunity to thoroughly review the issue of Army strength and balance of military forces during consideration of the regular fiscal 1960 appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that the vote by which the amendment was agreed to be reconsidered.

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

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, some Senators desire to address the Senate later this evening. It is not expected, anticipated, or planned to have any more yea-and-nay votes this evening. The Senate will convene at 10:30 tomorrow morning. There will be a morning hour.

An amendment will be offered to reduce the amount of the developmental loan fund from $200 million to $100 million. It is expected that there will be a yea-and-nay vote on that amendment.

Some other amendments may be offered tomorrow. It may be possible to complete action on the supplemental appropriation bill tomorrow and then take up several relatively noncontroversial general bills on the calendar, bills which I have previously announced, and which will be listed in the RECORD tomorrow morning.

If it is possible to have the Senate conclude action on those bills tomorrow, it is planned to have the Senate go over until Monday, so that we may have a

long weekend, because we have had a rather productive 2 weeks. We are waiting now for bills to be reported by the committees.

DISPOSITION OF ASSETS OF THE GENERAL ANILINE & FILM CO.

Mr. JOHNSTON of South Carolina. Mr. President, for the past few months there has been a great deal of speculation in the newspapers concerning the disposition of General Aniline & Film Co., the stock of which was seized at the beginning of World War II, on the basis that such stock was the property of enemy nationals.

At the present time, and for some years past, the question of the ownership of this stock has been the subject of litigation. There is no doubt that this litigation will continue for years unless some amicable settlement is reached between the United States and the Swiss claimant, Interhandel. At the present time this case is in the U.S. district court, to be tried on its merits. The case is also pending before the International Court of Justice at The Hague.

On July 31, 1957, the White House issued the following statement, which indicated that the administration was planning prompt action to provide "an equitable monetary return" with respect to all properties seized under the Trading With the Enemy Act:

THE WHITE HOUSE.

For some time the administration has been deeply concerned over the unresolved problems relating to the vesting, the liquidation and the disposition of enemy assets seized as a result of World War II.

The problem of German vested assets and the claims of American nationals against Germany arising out of World War II has been a long-standing source of controversy. An increase since June of 1955 in the amount of funds available, and which it is expected will be realized from the liquidation of vested assets, should facilitate an equitable and final solution of these problems.

Consequently, in order to reflect the historic American policy of maintaining the sanctity of private property even in wartime, the administration intends as a matter of priority to submit to the Congress, early in the coming session, a supplementary plan.

It is contemplated that this plan would provide for the payment in full of all legitimate war claims of Americans against Germany and would permit, as an act of grace, an equitable monetary return to former owners of vested assets. Subject to the applicable provisions of law, the present program of liquidating vested assets will be completed at the earliest possible time.

It is hoped that it will also be possible to work out a final solution of the Japanese vested assets problem for presentation to the next session of Congress.

I should like to point out that almost 2 years have passed since the issuance of that statement. To date, the administration has not submitted any plan "to reflect the historic American policy of maintaining the sanctity of private property," as promised by the White House. Why this issue has been avoided, I do not know.

I should like to make another point: On February 17, 1959, my distinguished colleague, the Senator from New York [Mr. KEATING] introduced a bill, S. 1103, to provide for the sale of properties now held by the Attorney General, even though they are now the subject of litigation to determine whether or not they were or were not in fact the properties of enemy nationals. At the present time these properties cannot be sold. They must be held pending the outcome in court. If the claimant prevails, he will get his property back. If the claimant fails to prove his case, then under existing law, the United States will be the owner and may dispose of the property as it will.

The Department of Justice has recently submitted a report to my Subcommittee on the Trading With the Enemy Act, with recommendations that the Congress enact Senate bill 1103. This would permit the sale of General Aniline & Film Co., even though title to the stock is in issue before the courts.

A number of questions are involved in this contemplated action. One of these involves the good faith of the U.S. Government; another involves the constitutionality of such legislation.

With respect to the question of good faith, I should like to point out to the Congress that on November 5, 1958, Mr. Loftus Becker, legal advisor to the Department of State, as the representative of the Government of the United States and as co-agent with Mr. Dallas Townsend, Alien Property Director, stated to the International Court as follows:

Under section 9(a) of the Trading With the Enemy Act, the Government of the United States is forbidden to sell vested property as long as a suit for its return is pending. Interhandel having been reinstated as a plaintiff, there cannot, and will not, now, be a sale of the vested stock by the U.S. Government unless and until a final determination in that suit, that suit in the United States, is made in favor of my Government.

Again, on November 6, 1958, Mr. Becker, as the representative of the United States, continued his argument to the Court, and reiterated:

Accordingly, the stock here in issue cannot now, and will not be sold by the Government, but is being retained to await the outcome of Interhandel's suit on the merits of the litigation in the United States.

And again:

Clearly, now, upon the readmission of Interhandel into the U.S. litigation, the stock—to use the language of the Supreme Court—will be "retained by the Custodian to abide the result, and, if Interhandel prevails, * * * returned to it", after a full hearing on its claim "in a court having power to enforce it if found meritorious."

After this argument, it was not necessary for the International Court to act to prevent a sale of the General Aniline & Film Co. stock. One would assume that the Court would be justified in relying upon the statements of our Government's agents who appeared before it. I do not see now how the administration can, with propriety and honor, recommend to the Congress the passage of legislation which would make meaningless the solemn representations made to the International Court.

On the same subject, on April 22, 1952, at a general stockholders meeting of the General Aniline & Film Co., held in New York, the then chairman, Mr. Jack Frye, stated—as shown by the minutes of that meeting—that the Senate Judiciary Committee took the position that there was a constitutional question about the passage of such legislation, and that he had been told, also, that the Department of Justice was inclined to agree that such legislation was questionable, at least so far as its constitutionality was concerned.

If this be so, why, again, does that Department now recommend the legislation? If such legislation was questionable then, it should be so now.

The present bill, S. 1103, is, in effect, identical with Senate bill 2171, which was considered by the Senate Judiciary Committee in 1953. At that time, after full hearings, that bill failed to receive committee approval.

Upon the basis of this background, it would be best for the administration to send to the Congress a program which can be supported and which will fulfill the promises of restitution of these vested properties. Failing in this, the administration should consider with the Swiss claimant a compromise solution which will put an end to this long-standing controversy. Such a means was suggested to the Alien Property Custodian in 1953 by the late Senator McCarran, of Nevada. Now, as then, any plan of settlement should be sent to the Senate Committee on the Judiciary, for its approval.

Mr. President, when the pending litigation over the General Aniline & Film Corp. is concluded, and when it is determined, if it is so determined, that the United States has a right to sell the assets of the company, I insist that a really public sale of the assets be had.

I wish to have inserted in the RECORD my communication of March 23, 1959, to the Attorney General, and his reply to me under date of March 31. I trust that these assurances will give every prospective bidder who is eligible under the law an opportunity to bid freely for these assets. Therefore, Mr. President, I ask unanimous consent to have printed at this point in the RECORD my letter of March 23, 1959, to the Honorable William P. Rogers, and his reply to my letter, under date of March 31, 1959.

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

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON TRADING
WITH THE ENEMY ACT,
March 23, 1959.

Hon. WILLIAM P. ROGERS,
The Attorney General of the United States,
Department of Justice, Washington, D.C.

MY DEAR MR. ATTORNEY GENERAL: The subcommittee and I have received several inquiries in reference to a sale of General Aniline & Film Corp. The asset being the largest of all the vested properties, I urge that great care be taken in the preparation of the prospectus and advertisements for its sale. I further urge that this asset be sold at public auction, with provision for each competitive bidder to increase his offer during the auction of this property. Such provision will eliminate future complaints or criticism that favoritism existed or that the asset was sold for less than its true value. This view seems to me to be within the letter and spirit of

section 12 of the Trading With the Enemy Act, as amended. A private or negotiated sale of this asset should be prohibited.

I am of the firm opinion that every prospective bidder should have access to all the pertinent facts concerning the administration of this vested asset, its potentials, and its current value at the time of the sale.

Please furnish me at the appropriate time with copies of all advertisements, prospectus, etc.

With kind regards, I remain

Sincerely yours,

OLIN D. JOHNSTON,
Chairman.

MARCH 31, 1959.

HON. OLIN D. JOHNSTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This will acknowledge your letter of March 23 advising that you have received inquiries with respect to a possible sale of General Aniline & Film Co.

As you know, section 9 of the Trading with the Enemy Act prohibits the sale of vested property while a suit for return is pending and such a suit is now pending in the District Court for the District of Columbia (*I. G. Chemie* v. *Rogers*). In view of the pendency of this litigation there is no present prospect of a sale of the vested shares unless the Congress should enact into law one of the various pending bills which would amend section 9 to permit the sale of vested property despite the pendency of the suit for return or unless the litigation is dismissed or settled. The Department of Justice has supported bills to enable the United States to sell the stock it now holds and to hold sufficient proceeds to pay off any claims.

I have stated on numerous public occasions, and I am happy to repeat it again, this property, when and if sold, will be offered at public sale to the highest bidder after full and adequate public advertisement.

The procedure which will be followed is set forth in section 12 of the Trading with the Enemy Act and by section 501.25 of the Regulations of the Office of Alien Property (8 CFR 501.25). Every prospective bidder, of course, would have access to pertinent facts concerning the vested asset, business secrets excepted, and such information will be disclosed in the prospectus and registration statement which will be issued prior to sale. This procedure is the one which has been followed in the cases of other vested assets disposed of by the Office of Alien Property.

At no time has any consideration been given, and none will be given, to a negotiated sale of the stock of General Aniline & Film Corp., now owned by the United States.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. WILLIAMS, Mr. MACK of Illinois, Mr. ROBERTS, Mr. BENNETT of Michigan, Mr. SPRINGER, and Mr. BUSH were appointed managers on the part of the House at the conference.

NATURAL RESOURCES, THEIR PROTECTION AND DEVELOPMENT

Mr. HUMPHREY. Mr. President, the Public Affairs Institute, a distinguished organization devoted to a broad program of education and enlightenment on major public policies, has just produced a stimulating and provocative new study, "Natural Resources, Their Protection and Development," which should be required reading for everyone who is concerned with the formulation of public policies in the field of natural resources conservation.

This study is the fruit of long and searching inquiry into the conservation needs of the Nation, the product of extensive conversations and discussions among the leading conservationists of the Nation. The authors have performed a unique service in pulling together into one compact package a distillation of the soundest thinking in the conservation field.

I am particularly pleased to note that among the 25 major proposals which the study sets forth, in the interest of sound conservation and development of natural resources, is proposal No. 4: "Establishment of a Youth Conservation Corps as a voluntary conservation and educational activity of the Federal Government."

Many organizations, Mr. President, have requested the opportunity to testify on S. 812, the proposal for a Youth Conservation Corps, and the distinguished senior Senator from Alabama [Mr. HILL] is making every effort to provide the opportunity for such testimony in mid-May, I am very pleased to say.

Each of the 25 proposals of the study deserve careful and respectful attention, Mr. President, and I am hopeful that each Member of the Congress will find it possible to read these challenging proposals. They can become the basis for more vigorous, more rational, and more productive national policies in the field of natural resources.

Mr. President, I would call particular attention to proposal No. 4 because it relates, as I have said, to pending legislation, S. 812. This particular bill, for the establishment of a Youth Conservation Corps, has wide appeal throughout the Nation. If there is one thing which this Congress can do which will be of help to our young people, it is the enactment of this bill.

I noticed the other day in the press that the Department of Labor predicts an increase in unemployment among our young people. That, of course, places special emphasis upon the importance of enacting constructive legislation such as the Youth Conservation Corps proposal.

I would invite my colleagues, as they look over the RECORD, to prepare testimony that can be considered by the subcommittee of the Committee on Labor and Public Welfare when it holds its hearings on S. 812.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a press statement issued by the Public Affairs Institute on April 15, 1959, describing the newly published study, "Natural Resources, Their Protection and Development."

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

"During the next half century we will either form a lasting partnership with nature through a much broadened resources conservation program, or face the prospect of becoming a have-not nation," says Dewey Anderson, executive director of the Public Affairs Institute of Washington, D.C., in a newly published study, "Natural Resources, Their Protection and Development." "The turning point comes in our generation," he continues, "because the growth of population and industry will demand more metals, minerals, land, wood, water, wildlife, parks, and recreational areas than nature can continue to supply as conservation practices are now organized."

With the American standard of living at stake, the study develops the new policies and practices required to bring us to the end of the century stronger than we are now. The first 50 years of conservation policy as laid down by President Theodore Roosevelt and Gifford Pinchot have saved our resources from wholesale destruction but much more must be done now.

Conservation leaders across the Nation shared in this statement, so that it represents a composite of the best thinking of some of the best minds in this broad field. Among those quoted under a section in which "Conservation Leaders Speak" are Dr. Shirley Allen, member of the Michigan Conservation Commission, Senators Hubert H. Humphrey and Richard L. Neuberger, Alex Radin, of the American Public Power Association, and Attorney Anthony Wayne Smith, of the National Parks Association.

Three persons were largely responsible for this provocative and searching statement on conservation—Morris Llewellyn Cooke, engineer and former chairman of the President's Water Resources Policy Commission; David Cushman Coyle, author, and Dr. Spencer M. Smith, Jr., secretary of the influential Citizens Committee on Natural Resources. It breaks new ground on every topic presented. For example, in the forestry section the declaration is made that destructive practices and shortages require Federal regulation of cuttings both on private as well as public forests.

Among the changes advocated in the interest of sound conservation and development of natural resources are:

1. Organization of all resources programs at the President's own level through a coordinating policy commission, submission of a single program and budget to the Congress to eliminate overlapping, duplication and waste of Federal funds.

2. Capitalizing of resources development projects by means of a specially devised system of long-term, low-interest-bearing bonds instead of annual appropriations items in the budget. For "trees won't grow as fast as compound interest at 6 percent, but they will pay out in the long run."

3. Operation of the newly formed National Outdoor Recreation Commission in a "goldfish bowl," with widest possible public participation and support of this essential effort to provide for the recreational needs of a growing population.

4. Establishment of a Youth Conservation Corps as a voluntary conservation and educational activity of the Federal Government.

5. Planned public works, both as a contracyclical economic measure and as a major conservation program, presented in unified form to the Congress after due clearance between interested departments.

14. Protection of existing wildlife refuges, extension of such areas, and enaction of a national policy respecting the rights and limits of the Defense Establishment in creating firing and bombing ranges out of the public domain.

15. Amendment of the Federal Power Commission Act to give the Secretary of the Interior the power to review licenses under consideration whenever migratory fish or wildfowl are involved. Definition of standards respecting conservation aspects of any projects being passed on by the Commission.

16. Establishment at the State level of acts consonant with Federal law now providing

for a study of State water development projects by the agencies having oversight of fish and wildlife; and coordination of such efforts between the States and Federal Government.

17. Revision of laws and administrative practices respecting small water projects and Federal lands management to insure the conservation of natural values.

18. Reforestation programs on both public and private lands to overcome as quickly as possible our present and growing shortages of sawtimber and of certain species of trees.

19. A Federal regulatory policy respecting cutting of trees on both public and privately owned lands.

20. Acquisition of more forest lands to be included in a national system of forests.

21. More adequate protection of forests through wider application of approved practices and new technologies.

22. Extension of the public park system, both federally and within the States, to meet the growing needs of an enlarging population.

23. Strengthening of the Federal antipollution measures, enlarging their scope and resources.

24. Research and administration of measures to combat the pollution of the air, the use of insecticides, detergents, and herbicides which are proving so destructive of our plant and animal life.

25. A congressional survey of the water needs of the Nation, region by region, with a view to developing a comprehensive nationwide plan, including the storage and replenishment of our ground water, the transfer of waters from surplus to deficit areas, a reconciliation of the various claims on water supplies, and a program of development which will insure against water shortages for the future.

Fifty years from now the conservation story may again be set down, in memory of what we shall have succeeded in doing in our time. If we do well, it can be a story of gain for all the world's peoples, looking toward continuing progress in the long future. Then, as Franklin Roosevelt wrote on the day before he died, "The only limit to our realization of tomorrow will be our doubts of today."

WATER POLLUTION CONTROL

Mr. HUMPHREY. Mr. President, I wish to call attention of the Senate to another bill which has been acted upon favorably in the other body of the Congress.

Mr. President, as the sponsor in the Senate, along with my colleague from Minnesota [Mr. McCARTHY], of the bill, S. 805, to expand the program for construction of sewage treatment plants under the Federal Water Pollution Control Act, I was gratified at the approval this past week by the House Public Works Committee of a companion measure offered by Representative JOHN BLATNIK, of Minnesota, H.R. 3610.

It was my privilege to testify in support of this measure in the committee of the House of Representatives. I am most pleased that Representative BLATNIK's bill has received such favorable consideration. He is the main mover and author of this proposed legislation, and has already, as we know, been able to have passed in the Congress at least the initial legislation for the purpose of water pollution control.

The necessity for expansion of this sewage-treatment program has been well established. The demand for fresh, clean water has been constantly increasing, but sewage-treatment facilities have not kept pace.

The Federal Water Pollution Control Act of the 84th Congress, which was the Blatnik-Humphrey bill, and which authorized $50 million annually to be spent in matching funds to help communities build sewage disposal plants, has stimulated the greatest waste treatment construction program in our Nation's history. It is proposed in the companion bills as offered by Representative BLATNIK and by the Senator from Minnesota [Mr. McCARTHY] and myself, that Federal funds be increased from $50 million to $100 million a year.

Despite the widespread agreement on the need and desirability of such a program, the administration has not only opposed expansion of the program, but has advocated abolishing the program altogether. Such opposition, of course, comes as no great surprise. The administration has throughout the years shown a lack of foresight and awareness as to the needs of our country. It has resisted almost without exception proposals designed to meet the needs of America in the mid-20th century. The administration turns its back on the realities of our times and prefers to look back with nostalgia to the simple and uncomplicated days of the 19th century.

Mr. President, these water pollution control programs are as vital to the health and safety of the American people as are public health officers and public health facilities. It is almost unbelievable that the Bureau of the Budget, representing the President, would strike from the budget as proposed by the President any consideration at all in terms of Federal assistance to local communities for water pollution control and the construction of necessary sewage disposal plants.

I was most pleased to read in this morning's New York Times, however, Mr. President, that not all Republicans agree with the administration's horse and buggy policies. There are some in the GOP who are aware of the needs of America, and I am happy to say that there are many in the Democratic Party who are aware of the needs of America, including the distinguished Presiding Officer [Mr. MUSKIE] who has shown such great alertness to these problems and who has given such dedicated and devoted energy to their solution.

One such Republican is Gov. Nelson Rockefeller, of the State of New York, who has announced his support for the extension of the Federal water pollution treatment program in a letter to Representative BLATNIK.

I hope the Governor of New York will drop a little note to the President of the United States. Then if the Governor of New York should meet the Director of the Bureau of the Budget at one of these Republican conclaves, I hope he will mention the fact that he is in favor of water pollution control to the Director of the Bureau of the Budget. If perchance he should meet the Secretary of Health, Education and Welfare, I trust that the Governor of New York, who shows interest in writing to Democrats, will perhaps pass a little friendly note to the Secretary of Health, Education, and Welfare.

Furthermore, I suggest that the Governor of New York could send a letter to the U.S. Senate in support of S. 805, the bill which is pending before the committees of Congress.

We want to welcome any other Republican Governor or any other Republican anywhere, Governor or no Governor, who wishes to take issue with the penny pinching attitude of this administration when it comes to health matters.

Mr. President, I noticed in this morning's newspapers that the House of Representatives increased the health research funds substantially over the budget request. I wish to commend Representative FOGARTY, of Rhode Island, and others who were instrumental in that fine piece of legislative work in the other body.

The administration cannot seem to understand the importance of preventive medicine, the importance of public health, or the fact that this Nation is growing and the water-pollution problem is one of the major problems of the Nation. As a matter of fact, it would be a good idea if the executive branch would recess for 1 hour a day and go out to look at the Potomac River, which is one of the most polluted rivers in the United States. In that way the administration could do something for the Nation, for it might then advocate a serious program of water-pollution control on the Potomac River, which is supposed to symbolize the great strength of the United States.

The only thing which is strong about the Potomac River under current conditions of pollution is the odor on certain days. I regret to have to say this, because the Potomac is a beautiful river and has a great place in American history. However, this administration insists upon denying an opportunity to States and localities and, indeed, denying the responsibility of the Federal Government in any kind of effective control program for water pollution.

Mr. President, I ask unanimous consent that the newspaper report on the endorsement of Governor Rockefeller, of New York, of this measure be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, we are pleased to have the support of the distinguished Governor of New York. Nothing would please me more than to be able to rise in the Senate in the near future and to announce that because of the support of this Republican Governor of New York, who is so frequently mentioned as a possible candidate for much higher office, the administration has reconsidered its position, has been moved by the eloquence and logic of the letter from the Governor of New York to Representative BLATNIK, and is now in favor of our bill. While I admit that such a prospect does not seem too probable, I still have the hope in my heart, and I

earnestly suggest to the administration that it reconsider its position on this important matter.

EXHIBIT 1

[From the New York Times, Apr. 29, 1959]

ROCKEFELLER BACKS DEMOCRAT'S PLAN—FAVORS A CONGRESSIONAL BILL ON WATER POLLUTION THAT WHITE HOUSE OPPOSES

WASHINGTON, April 28.—Governor Rockefeller took issue with the Eisenhower administration today on the subject of curbing water pollution.

He strongly endorsed a bill, sponsored by Representative JOHN A. BLATNIK, Democrat, of Minnesota, that would increase Federal aid funds for sewage-treatment plants from $50 million to $100 million a year.

Representative BLATNIK said the endorsement had come to him from the Governor's office in a totally unexpected letter.

In the letter, Governor Rockefeller said the operation of the Federal-aid program under the National Water Pollution Act has provided an incentive which has been extremely helpful in attacking the pollution problem in New York State.

He said he had had all the interested departments and agencies of New York State study the Blatnik bill. "It is their consensus that it is sound and desirable," the letter said.

The Eisenhower administration has taken the position that as a matter of strengthening State governments, the Federal water pollution control program and the Federal vocational education program should be turned back to the States.

The President's proposal was that these programs be paid for in the States through the relinquishing to the States of part of the telephone tax collected by the Federal Government.

Arthur S. Flemming, Secretary of Health, Education, and Welfare, strongly urged the administration plan in an appearance before the House Government Operations Committee. However, the committee reported out the Blatnik bill, which now is pending before the Rules Committee.

Mr. KENNEDY. Mr. President, first I should like to express congratulations to the Senator from Minnesota for his excellent address. I think the problem of water pollution in a growing country with an increasing population is extremely important. What the Senator had to say about the Potomac River is also extremely important. I commend the Senator for his remarks.

Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

TRIBUTE TO FORMER SENATOR IRVING IVES

Mr. KENNEDY. Mr. President, I take this opportunity to express my appreciation to a fine American no longer with us, former Senator Irving Ives of New York.

The labor reform bill which passed the Senate this year is comparable to the labor reform bill which passed the Senate last year by a vote of 88 to 1. Senator Ives was the cosponsor and codrafter of the bill at that time. I think the prestige of Senator Ives and his long and eminent association with the problems of labor-management in this country gave the bill a standing which otherwise it would have lacked, and I think this also contributed to the passage of the bill last year, which favorably affected the prospects for passage of a labor reform bill this year.

Senator Ives is no longer with us in this body. The bill which passed this year is known as the Kennedy-Ervin bill, rather than the Kennedy-Ives bill, but part of the credit for its passage is due to former Senator Ives. I take this opportunity to pay my respects to former Senator Ives again, as a distinguished member of the Republican Party, as a distinguished former Member of the Senate, and also as a distinguished American.

Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

THE KENNEDY-ERVIN LABOR-MANAGEMENT REFORM BILL

Mr. KENNEDY. Mr. President, the Senate last week completed a monumental task in approving by a vote of 90 to 1 the labor-management reform bill generally known as the Kennedy-Ervin bill. The Senate labored long and hard—it can be proud of the results. The American people demanded a strong, workable, effective and fair anti-racketeering measure—and the Senate has passed such a measure.

Honest union members and businessmen, responsible labor leaders, law enforcement officers and the general public—all will benefit from the increased protection this bill will provide. The battle for labor-management reform, however, is not over. I am hopeful that our press and public, as well as interested organizations, will not permit their interest to lag simply because the bill has passed the Senate. This Congress must not go home this year until it has placed on the President's desk sound labor-management reform legislation.

It has always been easy to say that everyone is for reform—that everyone is against racketeering—and that everyone is disturbed by the headlines from these investigations. But the hard, complex task of legislation is a more difficult matter. The Senate demonstrated by a vote of 90 to 1 that reform legislation should be and can be above partisanship—despite those who would rather have a political issue than a bill—those who wish to keep a whipping boy alive—and those who are more concerned about curbing labor at the bargaining table than they are about curbing racketeers.

The Kennedy-Ervin bill as it passed the Senate meets every necessary test—it is a strong bill—it is workable—it is fair—it is effective. It carries out all of the previously unfulfilled recommendations of the McClellan committee. It is aimed at ending the abuses revealed before that committee; and adds other legislative curbs on racketeering as well. It is based upon the bill drafted last year by two members of the McClellan committee, with the strong support of the distinguished chairman of that committee himself. It is broader and stronger than any alternative proposal in this area. It is a bill designed to permit responsible unionism to operate without being undermined by either racketeering tactics or bureaucratic controls. It is designed to strike a balance between the dangers of too much and too little legislation in this field.

I realize that it is always possible to find fault with any bill—to point out omissions, to read in other meanings, or to call indefinitely for further amendments. This is particularly true in the controversial field of labor, which is precisely why no major labor legislation has been passed in the last decade. The extremists on both sides are always displeased; the technical experts will always disagree. No doubt each Senator might have drafted his own bill differently. But what is important and significant about this bill is not what it fails to do but what it does accomplish, not what might have been added in the way of unrelated or punitive measures, but what is included. For this bill provides the most comprehensive and effective set of weapons against racketeering ever to pass this body. The basic provisions of the Kennedy-Ervin bill as it passed the Senate include the following:

First. It guarantees the basic rights of all union members, including their freedom of speech and assembly, freedom to set union dues, provides safeguards against improper disciplinary action and protects the rights of a member to sue in Federal courts for the enforcement of his basic rights.

Second. It sets up strong barriers against the control of unions by unreformed convicted thieves, racketeers, and thugs, or their service as union officers. It prevents union officials from using union funds to perpetuate themselves or their friends in office.

Third. It sets up safeguards in court proceedings so that members of unions can protect themselves against arbitrary control by large international unions through the device of the trusteeship.

Fourth. It guarantees America's working men and women the fundamental right of the secret ballot in selecting their union officers and permits the majority of the members of a local to remove crooked officials at any time.

Fifth. It provides workable machinery for contesting in Federal courts crooked or rigged union elections and insures fair election procedures, regular elections, due notice of all union elections, and real opportunity to nominate opposing candidates.

Sixth. It puts the spotlight of publicity on middlemen racketeers and unscrupulous antiunion employers.

Seventh. It compels comprehensive detailed reporting of union economic and administrative data so that the members and the public can really know what is happening.

Eighth. It strikes hard at the "sweetheart" contract by penalizing both the giver and the taker of a bribe in labor-management relations.

Ninth. It requires union officers to reveal personal financial transactions which might conflict with their responsibilities as union officers.

Tenth. It places strong power in the Secretary of Labor, with adequate safeguards of individual rights, to compel compliance with the provisions of the act and imposes heavy criminal penalty for violations.

Eleventh. It requires that all union officers or employees handling union funds be bonded in sufficient amount to protect their membership.

Twelfth. It prohibits picketing for 9 months where a union has had an election and lost it.

Thirteenth. It outlaws the vicious "hot cargo" clause in the trucking industry and prevents the enforcement of existing contracts containing such clauses.

Fourteenth. It imposes criminal sanctions for embezzlement of union funds, false reporting, false entries on books, failure to report, or destruction of union books.

Fifteenth. It prohibits loans by employers or unions to union officers.

Sixteenth. It authorizes suits by union members for recovery of funds embezzled or misappropriated by union officers.

Seventeenth. It prohibits picketing for extortion or to secure payoff from employer.

Eighteenth. It prohibits the solicitation or payment of fictitious fees for unloading cargo from interstate carriers.

In short, it is a strong, effective bill. It will enable all union members to know how their dues are spent, instead of having them carried around in a little black box by Anthony Doria, the friend of racketeers, or used to purchase an air-conditioned Cadillac by the secretary-treasurer of the Garbage Local in New York. It will require minimum standards of union democracy, with elections at regular intervals by secret ballot or by a convention of delegates elected by secret ballot, and prevent Johnny Dio from setting up fake paper locals and casting votes in the names of persons who did not even know they were members of the union, much less council delegates. It will bar convicted felons from serving as union officers, so that Herman Kierdorf could no longer go straight from his prison cell in the Ohio State Penitentiary to an appointment as business agent for the Teamsters in Detroit.

It will limit and supervise union trusteeships, so that the vice president of the Bakery and Confectionery Workers cannot again appoint himself trustee of two Chicago locals whose funds he misused on his personal hobbies to the tune of some $40,000 in 5 years. It will require union officials to completely disclose all possible conflict of interest transactions, so that Teamster members urged to buy lots in a so-called model Teamster community in Florida would know that Jimmy Hoffa had arranged the financing of this development through coercion on the union's banks, had placed the promoter on the Teamster payroll and stood prepared as a hidden partner to reap a large hidden profit.

It will prohibit loans by either employers or unions to union officers, so that the president of the old Bakery Workers would not again be able to borrow heavily from one of their employers to buy expensive homes in Washington and Palm Beach, and then negotiate a substandard union contract with his benefactor without consulting the local members. And it will expose and prevent the undermining of honest unionism through management collusion, middlemen, and union-busting techniques, operations of so-called consultants like Nathan Shefferman, who promised employers he could keep out the responsible unions which could not be bought, through his various techniques of antilabor committees, company unions, payoffs and teamster collusion.

I do not say that the Kennedy-Ervin bill, or any law, under our Constitution, can eliminate Jimmy Hoffa. He is entitled to the same rights as any other citizen, including the protection of the fifth amendment and trial by jury. But we can eliminate the evil practices by which he and his associates rose to power, their conflict of interest transactions, their destruction of union books, their manipulation of trusteeships, their rigged elections and conventions, their appointments of ex-convicts as union officials, their use of management middlemen, their use of union funds to build personal financial empires, their private arrangements with employers, their shakedowns and tribute for unloading interstate trucks, their falsification of union reports, their reprisals against honest members, their insistence on hot cargo clauses in trucking contracts and their strong-arm picketing of plants where the union has already lost an election.

Without doubt, there will continue to be criticisms of this bill from extremists on both sides, from those who are antilabor rather than antiracketeering, and from those who take a partisan view of this non-partisan problem. But I think it is of interest, in this connection, to compare the provisions of the bill which passed the Senate with another so-called antiracketeering bill which has been praised by those now engaging in partisan criticism of the Kennedy-Ervin bill; and I refer to the so-called Rockefeller labor reform bill which passed the New York Legislature this year. The Rockefeller bill, like the Kennedy-Ervin bill, also curbs conflict of interest transactions and employer bribes; provides for financial reports by labor organizations and employers; and requires the maintenance of accurate financial accounts. These are all desirable provisions. But this is all the Rockefeller bill does. Unlike the Kennedy-Ervin bill, it does nothing to insure honest and secret union elections, it does nothing to curb abuses of union trusteeships, it does nothing about prohibiting picketing for extortionate purposes or where a union has lost an election, it does nothing about the infiltration of convicted racketeers and felons into union office, it does nothing about guaranteeing the rights of union members, and so on down through the rest of the list.

In short, the bill that passed the Senate is second to none, and no Senator who voted for it needs to apologize for his position. This body acted once again with courage and wisdom, courage to eliminate demonstrated abuses now being practiced by powerful groups in this country, and wisdom in resisting irresponsible proposals which would have punished the innocent as well as the guilty, the victims as well as the racketeers.

Without doubt the future of this bill will again be plagued by the usual emotional arguments, political perils and powerful pressures which always surround this subject. But I am confident that the same constructive spirit which has enabled this body to pass the Kennedy-Ervin bill by a vote of 90–1, just as in 1958 it passed the Kennedy-Ives bill by a vote of 88–1, will characterize action on this bill in the other body and in the White House. The racketeers will not like it, the antilabor extremists around the country will not like it, but I am confident that the American people, and the overwhelmingly honest rank and file union members, will benefit from this measure for many years to come.

Mr. President, I ask unanimous consent that a detailed section-by-section analysis of the bill as passed by the Senate be inserted in the RECORD following these remarks.

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

SECTION-BY-SECTION ANALYSIS OF S. 1555 AS PASSED BY THE SENATE APRIL 25, 1959

Section 1: Contains the short title of the bill: "Labor-Management Reporting and Disclosure Act of 1959."

Section 2: Contains the congressional findings, purposes, and policy.

TITLE I—BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

Section 101(a)(1): Asserts the right of each member of a labor organization to be considered equally and to enjoy identical privileges within the organization to nominate candidates, vote in union elections, attend membership meetings, and participate in the deliberations of the organization. The rights protected by this subsection are circumscribed by the right of the organization to establish for itself reasonable rules in its own constitution and bylaws.

Section 101(a)(2): Guarantees the right of union members to meet and assemble freely with other members and express their own views and, further, to express their views on business before any union meeting or upon candidates in a union election, subject to the organization's established and reasonable rules pertaining to the conduct of meetings. This subsection clearly establishes the right of a labor organization to establish rules and regulations for the conduct of meetings regarding the responsibility of every member toward the organization as an institution and to restrain such member in any conduct that would interfere with the performance of its legal or contractual obligations.

Section 101(a)(3): Stipulates that the rate of dues presently in effect shall not be changed and that no new or additional dues or initiation fees shall be imposed or general or special assessments levied upon members except by (1) a majority vote by secret ballot on such question at a general or special meeting called upon due notice, or (2) by majority vote by secret mail ballot, or (3) by majority vote of a regular convention after 30 days' notice has been given to each local or constituent labor organization.

Section 101(a)(4): Asserts the obligation of a union not to limit the right of every member of a union to sue in a court, bring a matter before an administrative agency, appear as a witness in any judicial, administrative, or legislative proceeding, or petition any legislature. This subsection provides that a union member may be required to exhaust internal remedies (not to exceed 6 months) before instituting legal or administrative proceedings. The subsection also forbids an interested employer or employer-association to directly or indirectly finance, encourage, or participate in, except as a party, any suit or proceeding referred to in this subsection.

Section 101(a)(5): Insures due process for a union member, including written specification of charges, fair hearing, and time to prepare his defense before a member may be disciplined by a labor organization.

Section 101(a)(6): Voids any provision of a union constitution or bylaws or other governing charter which is inconsistent with the provisions of this section.

Section 102: Permits any person to bring a suit in a Federal court to enforce any of the rights mentioned in section 101. Suits shall be brought in the U.S. District Court for the district in which the alleged violation occurred or where the headquarters of the labor organization is located.

Section 103: Preserves rights and remedies which any member of a labor organization has under any other State or Federal law, or before any court or other tribunal, or under any union constitution or bylaws.

TITLE II—REPORTING AND DISCLOSURE

Section 201:

(a) Requires every labor organization in an industry affecting commerce to file with the Secretary of Labor a copy of its constitution and bylaws along with specific information detailing its major internal operations.

(b) Every such labor organization must also file a detailed and comprehensive report of the union's financial operations. Under this section all trade unions dealing with employers whose operations affect commerce must file reports whether or not they desire to use the facilities of the NLRB. All of the information required to be reported by present law will be reported under this section.

(c) Requires every labor organization required to report under title II to make available information in such reports to each of its members in a form prescribed by the Secretary. This section also permits union members to inspect books and records of the union under such conditions at such times as the Secretary shall prescribe.

(d) Permits the Secretary to exempt labor organizations with fewer than 200 members and annual gross receipts of less than $20,000 from the reporting requirements of 201(b) if he finds that such exemption would not interfere with the attainment of the objectives of the act.

Section 202(a): Every officer or employee of a labor organization other than clerical employees, as defined by the Secretary of Labor, paid more than $5,000 in compensation and allowances in the preceding fiscal year is required to report to the Secretary of Labor any of six specified transactions in which he may have been involved for the preceding fiscal year which might constitute a conflict of interest. Reports from a union officer or employee are required only if they have been involved in any of the transactions enumerated in the subsection. Publicly traded securities and other securities which are publicly regulated are exempt from the reporting requirements of this section.

Section 203(a): Requires every employer engaged in an industry affecting commerce to file an annual report with the Secretary of Labor listing expenditures to persuade employees not to exercise or persuade them as to the manner in which they exercise their rights to organize and bargain collectively or to obtain information about employees or labor organizations in connection with labor disputes except that reports need not be made of adjustments in wages or other employee benefits, employer newsletter and house organs, or expenditures to obtain information to be used solely in judicial, administrative, or arbitral proceedings. This subsection also requires employer reporting of any payment, loan or expenditure of which a report is required of a union officer under section 202.

Section 203 (b) and (c): Require reports of employers and persons who enter into agreements with employers to interfere with the right of employees to organize or bargain collectively or to provide information to the employer about the activities of employees. Employers are also required to report direct or indirect loans or payments to a labor organization or officer thereof except certain legitimate payments such as for services as an employee.

Section 203 (d) and (e): Provide that no person is required to make reports covering the giving of advice to an employer to be used solely in a court, administrative agency or tribunal of arbitration or in connection with collective bargaining negotiations. No person is required to make a report if he has not engaged in the activity described therein nor is an employer required to report on the activity of a regular employee.

Section 204:

(a) Specifies that the contents of reports and documents filed under sections 201, 202, and 203 should be public information and authorizes the Secretary to publish and use such information for statistical and research purposes, and to compile and publish studies and surveys based on the data contained in reports required to be filed under title II.

(b) Authorizes the Secretary to prescribe regulations permitting the inspection and examination by any person of the information contained in reports and documents filed under title II.

(c) Authorizes the Secretary to furnish copies of reports filed under title II upon a payment of a charge based on the cost of the service, provided that the Secretary may make available to a State agency copies of reports required to be filed under this title at no charge. Also provides that no person shall be required by State law to provide the information contained in a Federal report if a copy of such report is furnished to the State agency.

Section 205: Requires the maintenance and preservation of records and accounts of financial transactions necessary to verify reports required of union, employer and labor-relations consultants for such periods of time as the Secretary shall prescribe.

Section 206:

(a) Requires that initial reports required by this title be filed not later than January 1, 1960 but initial reports required by 201 (b) and 203 would only have to cover the period between enactment and January 1, 1960.

(b) Authorizes the Secretary to issue rules and regulations prescribing the form, content, and publication of reports and to prevent circumvention or evasion of reporting requirements. The Secretary is directed to provide simplified reporting forms for small unions and small business organizations but he is also given the power to require a full reporting form if he believes it desirable.

(c) Authorizes and directs the Secretary, when he believes that any person or labor organization has violated any provision of the title, to make an investigation, inspect records, and ascertain all of the facts relevant to the report in question. This subsection also authorizes the Secretary to make a full report to the members of a labor organization concerning the facts required to be reported, if any person or organization fails or refuses to file the reports as required.

Section 207: Forbids a labor organization to make loans to any officer or employee aggregating in excess of $1,500 and forbids employers to make any loan to an officer or an employee of a labor organization representing or seeking to represent his employees. This section also forbids a union or employer to pay the fine or advance the defense costs of any person indicted for or convicted of a violation of the act except that upon acquittal a person may be reimbursed for expenses incurred in his defense.

Section 208:

(a) and (b) Prescribes a fine of up to $10,000 or up to 1 year's imprisonment, or both, for willfully violating or failing to comply with any provision of title II or the rules or regulations issued thereunder, willful false statements or misrepresentations of material facts or failure to disclose information required by the title.

(c) Imposes a similar penalty upon any person who willfully destroys any books, records, reports, or statements required to be maintained under this title.

(d) Assigns personal responsibility to each person required to sign reports under sections 201 and 203 for the filing and the accuracy of statements in the reports.

Section 209:

(a) Makes the embezzlement by any person of funds or assets of a labor organization a Federal crime punishable by a fine not exceeding $10,000 or imprisonment not in excess of 5 years.

(b) Permits an individual union member to sue a union officer or employee suspected of embezzlement or other conversion of union funds to his own use to recover such property if the union itself has not instituted such a suit or refuses to sue to recover such property within 4 months of having been requested to do so. Such a suit may be brought in a U.S. district court but a proceeding under this subsection cannot be brought except upon leave of the court, obtained upon verified application or good cause shown. The section provides for a reasonable recovery of counsel fees and the compensation of the member for expenses necessarily incurred in connection with the litigation. Nothing in this subsection is to be construed to limit the responsibilities of union officers and employees under any other State or Federal law or to interfere with any remedy to which members may be entitled under any other statute.

Section 210:

(a) and (b) Establishes a Commissioner of Labor Reports in the Department of Labor to administer the Act. Authorizes the Secretary to appoint personnel and prosecute cases under the Act.

(c) Authorizes the Secretary to bring civil suits for appropriate remedies against violations of the reporting title (title II) only and failure to abide by regulations issued thereunder. Such actions are to be brought in U.S. district court where the violation is alleged to have occurred or, at the option of the parties, in the U.S. district court for the District of Columbia.

Section 211: Amends section 302(a) of the Labor Management Relations Act of 1947 so as to clarify an ambiguity which presently exists. Under present law it is illegal for an employer to pay or deliver anything of value to a representative of his employees. The purpose of these amendments to section 302 is to forbid any payment or bribe by an employer or anyone acting on his behalf, whether technically an agent or not. The demand or acceptance of such bribes is also proscribed. This section also makes

unlawful the demand or acceptance of improper unloading fees from interstate truckers. This section exempts certain bona fide payments made by an employer to his employees or to representatives of his employees. It also provides that the general ban in section 302 of the Labor-Management Relations Act upon employer payments to unions is not to apply to employer payments to trust funds, for pooled vacation benefits, or apprentice or other employee training programs.

Section 212: Requires a non-Communist oath of union officers and principal employer officers annually when the union or employer has filed a petition or complaint with the NLRB within the 12 months preceding the date when such affidavits are required to be filed. Repeals the noncommunist oath requirement in the Taft-Hartley Act.

Section 213: Bans picketing about the premises of an employer for the purpose of or as part of a conspiracy to exact a bribe. Violations of this section are punishable by a fine of $10,000 or up to 20 years' imprisonment.

TITLE III—TRUSTEESHIPS

Section 301:

(a) Requires reports by national or international unions to the Secretary within 30 days of establishment of trusteeships over subordinate unions (or within 30 days of enactment for existing trusteeships) and semiannually thereafter.

The reports are to show: (A) the union in trusteeship, (B) the date trusteeship established, (C) a detailed statement of the reason for trusteeship and its continuance, (D) the nature and extent of voting by members of the trusteed union for convention delegates and national and international officers, and (E) a detailed account of the financial condition of the trusteed union, including any funds transferred to such union's national or international union or to any other union, as of the date the trusteeship was established and as of 30 days prior to the making of the report.

(b) Provides the Secretary with the same rulemaking and publication powers he has under title II.

(c), (d), and (e) Makes failure to report, false reports or concealment or destruction of documents or records upon which report is based by responsible officers punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

(f) Provides that reports made by labor organizations under this section shall be made available to each member of the labor organization in such form and manner as the Secretary shall by regulation prescribe.

Section 302: Requires the establishment and administration of a trusteeship to be in conformity with the union constitution and for correcting corruption or financial malpractice assuring the performance of agreements, restoring democratic procedures, or the achievement of legitimate union objectives.

Section 303:

(a) Makes it unlawful during trusteeship (1) to count members' votes for convention delegates or national or international officers if not by secret ballot in which all members in good standing could participate, or (2) to transfer to parent organization any funds of the trusteed union except regular per capita and assessments payable by nontrusteed unions. It is provided that upon dissolution of the trusteeship, assets may be distributed in accordance with the charter, constitution, or bylaws.

(b) Makes violation of subsection (a) punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

Section 304:

(a) Provides that upon the written complaint of a member or subordinate union alleging violation of section 302, 303, or 307, the Secretary shall investigate and if he finds an unremedied violation, he may petition the appropriate Federal district court to enjoin and dissolve the trusteeship and for other appropriate relief.

(b) Provides for place and manner of bringing suit.

(c) This subsection provides that a trusteeship established by a labor organization (1) in conformity with the procedural requirements of its constitution and (2) authorized or ratified by the executive board of the labor organization after a hearing before the union's executive board or other body provided for in its constitution or bylaws, shall be presumed valid for a period of 12 months. This presumption may be rebutted by clear and convincing proof that the trusteeship was not established for a purpose allowable under section 302. After the expiration of 12 months there will be a presumption that the trusteeship is invalid in any proceeding brought by the Secretary to remove the subordinate union from trusteeship unless the labor organization can show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 302. If the labor organization can so show, the court may dismiss the complaint or retain jurisdiction on such conditions and for such period as it deems appropriate.

Section 305: Requires a report within 3 years by the Secretary on operation of title III.

Section 306: Makes clear that Federal suits under title III are possible only upon suit initiated by the Secretary. But all other rights and remedies at law or in equity are specifically preserved, with the limitation that when the Secretary does file a complaint the proceeding is to be exclusive and the result res judicata.

Section 307:

(a) Requires local labor organizations to forward to every member who requests them, copies of collective bargaining agreements negotiated by such organization that directly affects such member's rights as an employee. National and international labor organizations are required to forward copies of agreements negotiated by them to each constituent unit whose members are directly affected. All unions are required to keep copies of agreements at their principal places of business where they are to be available for inspection by any member or employee whose rights are directly affected.

(b) Makes violation of section 307 (a) punishable by a maximum fine of $10,000 or imprisonment for 1 year, or both.

Section 308: Requires bonding of officers, agents, representatives or employees of labor organizations who handle funds of such organizations or any trust in which such organization is interested. The amount of the bond in the case of unions is to be not less than 10 percent of the union's gross income during the preceding fiscal year or $250,000, whichever is the lesser; in the case of trusts in which unions are interested, it is to be not less than 25 percent of the amount of the trust, or $250,000, whichever is the lesser.

Section 309: Requires a jury trial in proceedings for criminal contempt committed outside the immediate presence of the court in connection with civil actions instituted in the Federal courts by the Secretary or any other person under the provisions of the Act.

TITLE IV—ELECTIONS

Section 401:

(a) Provides that each national and international labor organization (except a federation of such organizations) shall elect the officers named in its constitution and the members of its executive board or similar governing body at least every 5 years by secret ballot among the membership in good standing or by vote of a convention composed of delegates chosen by secret ballot and in accordance with the union's constitution and bylaws.

(b) Requires that the officers named in a local union's constitution and the members of its executive board or other similar governing body be elected at least every 3 years by a secret ballot among its members in good standing and in accordance with its constitution and bylaws. This section further provides that local labor unions are to be under a duty, enforceable in an action brought in a Federal district court by any bona fide candidate for union office, to comply with reasonable requests of any candidate to distribute his campaign literature at his expense by mail or otherwise to the local union's members and to refrain from discriminating in favor of or against any candidate with respect to the use of the union's membership list. It is specifically provided that if use of the membership list is authorized by the union or its officers on behalf of any candidate or the union itself, similar use is to be accorded to any other bona fide candidate at his request, with equal treatment as to the expense of such distribution. Adequate election safeguards are also to be provided to insure a fair count of the ballots, including the right of candidates to have observers at the polls and at the counting of the ballots.

(c) Requires that officers of intermediate bodies, such as general committees, system boards, joint boards, joint councils, or other associations of labor organizations, are to be elected at least every 4 years by secret ballot among the members in good standing or by union officers representative of such members who have been elected by secret ballot and in accordance with the union's constitution and bylaws.

(d) Requires that in elections required to be held by secret ballot members of a labor organization be given a reasonable opportunity to nominate candidates, to be a candidate for and hold union office (subject to reasonable qualifications uniformly imposed) and to vote without being subject to penalty, discipline, or improper interference or reprisal by the union or any member of the union. Fifteen days' notice of date and time of any election is to be mailed to members. Every member shall have one vote, and a member whose dues are checked off under a bargaining agreement is not to be disqualified for dues default. The votes cast by members of each local union are to be counted and the results published separately. Ballots and election records are to be preserved for 1 year by appropriate officials of the union. The union constitution and bylaws is to govern the election to extent not inconsistent with the act.

(e) Provides that when delegates in a convention are to choose officers, the union constitution and bylaws are to govern and delegate credentials, minutes, and convention records pertaining to the election of officers are to be preserved for 1 year after the election.

(f) Provides that neither union nor employer funds are to be used to promote candidates in union elections subject to this title. Union funds may be used for ordinary expenses in connection with elections—for notices to members, statements to members of issues not involving candidates to be voted on, and other expenses incident to the conduct of an election.

(g) and (h) Provides that if the Secretary upon application of a member of a local union finds after a hearing in accordance with the Administrative Procedure Act, that the union's constitution does not provide for the removal of an officer guilty of serious misconduct, the officer may be removed by the members voting in a secret ballot vote. The Secretary is granted au-

thority to promulgate rules and regulations prescribing standards for carrying out subsection (g).

Section 402:

(a) Provides procedures by which a member of a labor organization who (1) has exhausted the remedies available under the constitution and bylaws of his union and of any parent body, or (2) has invoked available remedies without obtaining a final decision within 3 calendar months, may initiate proceedings through the Secretary to have the election declared invalid and a new election conducted, or a hearing and vote held on removal of a union officer, pursuant to a Federal district court order, under the direction of the Secretary. Challenged elections would be presumed valid pending a final decision, and in the interim the affairs of the union are to be conducted by the officers elected or in such other manner as the constitution and bylaws provide.

(b) Court actions to enforce the election provisions of title IV would be brought by the Secretary if, after investigation he finds probable cause to believe title IV has been violated. The Secretary would be required to bring such action within 60 days after a complaint of violation has been filed with him. If the court voids an election after a trial it is empowered by this section to preserve the property and assets of the labor organization pending the selection of new officers.

(c) In any such action the court's decision would have to be based upon a preponderance of the evidence after a trial upon the merits.

(d) An order directing an election, dismissing a complaint, or designating the elected officers of a labor organization under this section would be appealable in the same manner as the final judgment in a civil action. However, an order directing an election could not be delayed by an appeal.

Section 403: Provides that no labor organization shall be required to hold elections more frequently or by different procedures than are required by its constitution or bylaws except as otherwise provided in title IV. Existing rights and remedies to enforce union constitutions and bylaws with respect to elections prior to the conduct thereof are not affected by title IV, but the remedy provided by title IV for challenging an election already conducted is to be exclusive.

Section 404: The election provisions are to become effective—

(1) within 90 days for unions whose constitutions and bylaws can be modified to conform by its officers or interim governing bodies such as a general executive board or council; or

(2) where appropriate modification can be made only by convention, by the next convention of the labor organization or within 2 years after enactment, whichever is sooner. If no convention is held within this 2-year period, the executive board or other governing body empowered to act for the union between conventions is empowered to make interim constitutional changes necessary to carry out the act.

Section 405:

(a) Bars persons convicted of committing certain specified crimes, e.g., robbery, bribery, extortion, from holding responsible union office, or employment for a period of 5 years after serving any part of a prison term by reason of such conviction.

(b) Bars any person from holding union office or employment who fails after notice to file reports required by titles II or III and who after a hearing on a written record the Secretary finds is in violation, or who has been convicted of a violation of such titles; such bar to be effective for 5 years from the date of such determination or conviction. No union or union officer shall knowingly and willfully permit any person to assume or hold office in violation of this subsection.

(c) Violations of section 405 are punishable by a fine of up to $10,000 or imprisonment for 1 year, or both.

(d) Specifies that for purposes of section 405 a person who has been convicted is to be deemed to have been "convicted" and under disability of "conviction" from the date of the judgment of the trial court, except that if the judgment of conviction is revised on appeal, such person shall not, after the date of such reversal, be deemed to be under any disability of "conviction."

TITLE V—CODES OF ETHICAL PRACTICES—ADVISORY COMMITTEE

Section 501:

(a) Declares that it is in the national interest that labor organizations and nationwide and industrywide associations of employers engaged in industries affecting commerce shall voluntarily adopt or subscribe to codes of ethical practices obligating such labor organizations or employers, as the case may be, to adhere to principles and procedures of conduct which will effectively eliminate and prevent improper and unethical activities in the administration of their affairs, in the use and expendture of their funds and in their relations with each other.

Declares that codes of ethical practices applicable to national and international labor organizations should contain provisions which will safeguard the democratic rights and privileges of members and which will eliminate and prevent improper and unethical activities on the part of labor organizations or their subordinate locals or any officer or agent thereof. Codes of ethical practices applicable to both labor organizations and employers should contain methods and procedures to assure the effective implementation and enforcement of the provisions of such codes.

Provides that codes of ethical practices should contain appropriate provisions for publication of the provisions of the codes so that employers and employees in the industries affected and the public will be fully apprised as to the provisions of the codes.

(b) Provides that codes of ethical practices shall not authorize or sanction any conduct on the part of any labor organization or employer or any officer, agent, or representative thereof which violates any Federal, State, or local law.

Section 502 (a), (b), and (c): Establishes an Advisory Committee on Ethical Practices to advise the Secretary on the administration of this Act, including the provisions of title I, Reporting and Disclosure; title II, Trusteeships; and title III, Union Elections; as well as title IV.

Section 503: Provides that not later than 3 years from the date of enactment of the bill the Secretary shall report to Congress on the progress achieved by labor organizations and employers engaged in industries affecting commerce in the elimination of improper activities in the administration of their affairs and the use and expenditure of their funds with particular reference to the significance of the voluntary adoption of self-policing codes of ethical practices in achieving such results.

TITLE VI—DEFINITIONS AND MISCELLANEOUS

Section 601: Contains definitions of various terms in the bill. The definition of "labor organization" contained in section 601(h) was amended on the floor of the Senate to include conferences, joint boards, joint councils, or other associations or aggregations of unions other than State federations and central labor councils and other associations formed to carry on educational activity or to represent its members before any judicial, administrative, or legislative body.

Four new definitions were added during Senate floor consideration:

Section 601(k) defines the term "trust in which a labor organization is interested" as meaning a trust or other kind of organization created or established by a union, or of which one or more of the trustees or members of the governing body are elected or appointed by a union which provides benefits for members of their union or their beneficiaries.

(l) defines "labor relations expert, advisor, or consultant" as meaning any person who advises employers or unions concerning employee organizing, concerted activities, or collective bargaining activities.

(m) defines a union "officer" as meaning any constitutional officer, and any person authorized to perform the functions of President, Vice President, Secretary, or Treasurer, or other executive or governing function.

(n) defines "member" and "member in good standing" as including any person who has fulfilled the lawful requirements of membership, and who neither has voluntarily withdrawn nor been expelled or suspended from membership after appropriate proceeding consistent with lawful provision of the union's constitution and bylaws or other governing charter.

Section 602: Provides that, except as explicitly provided to the contrary, nothing in this Act is to reduce or limit the responsibilities of any union or any of its officers, agents or representatives, or of any trust in which a labor organization is interested, or take away any right or bar any remedy to which union members are entitled under any other Federal law or any State law.

Section 603: Specifies that titles I, II, III, IV, V, and VI are not to be construed as superseding, impairing or otherwise affecting the Railway Labor Act, or any obligations, rights, benefits, privileges or immunities thereunder, or as affecting in any way rights or obligations under the National Labor Relations Act.

Section 604: Specifies that for purposes of investigations provided under the bill, the Secretary is to have subpena power, as provided in sections 9 and 10 of the Federal Trade Commission Act.

Section 605: Requires other agencies to cooperate with the Secretary in administering his functions under the act.

Section 606: Makes the Administrative Procedure Act applicable to the issuance, amendment or rescission of rules and regulations authorized by the act.

Section 607: Provides that it is unlawful for any labor organization or its officers, agents, representatives, or employees to discipline any of its members for exercising any right extended under the act. Also makes it unlawful for any person to coerce or restrain by force or violence, or threat of force or violence or by economic reprisal or threat thereof any union member for the purpose of interfering with or preventing the exercise of rights under the act. Violation of this section would be punishable by a maximum fine of $10,000, imprisonment for 2 years, or both.

Section 608: Preserves the authority of States to enact general criminal laws with respect to certain enumerated crimes, namely, robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault with intent to commit grievous bodily injury, and conspiracy to commit any such crime.

Section 609: Requires unions to inform their members concerning the act and the rights guaranteed them by the act in a manner prescribed by the Secretary.

Section 610: Provides that every officer, agent, or other representative of a union or of a trust in which a union is interested shall, "with respect to any money or other property in his custody or possession by virtue of his position * * *, have a relationship of trust to any such labor organization and the members thereof, or to any such trust and the beneficiaries thereof, and shall be responsible in a fiduciary capacity for such money or other property, notwithstanding any exculpatory clauses or action purporting to exempt him from such responsibility."

Section 611: Protects confidential information obtained by attorneys in the course of legitimate attorney-client relationships.

Section 612: Contains usual separability clause.

TITLE VII—AMENDMENTS TO THE LABOR MANAGEMENT RELATIONS ACT OF 1947, AS AMENDED

Section 701: Authorizes the State and Territorial agencies, other than courts, to exercise jurisdiction in labor relations cases where the National Labor Relations Board has declined to act. The State or Territorial agency, however, is to apply the Federal law set forth in sections 8(a) and (b) and 9 of the NLRA as interpreted by the Board and the Federal courts. Injunctive relief under sections 10(j) and (l) is to be available to such agency but petitions under section 10(j) may be filed only when expressly approved by the General Counsel of the NLRB. Federal district courts are to be available to any such State or Territorial agency for enforcement of its orders and any person aggrieved by any such order may obtain review in the Federal district courts. In such cases the district court shall proceed in the same manner and have the same jurisdiction as it would have if the case had been brought by the State or Territorial agency.

Section 702:

(a) Permits an employer primarily engaged in the building and construction industry to enter into agreements with labor organizations despite the fact that the union's majority status has not been established under section 9 of the act. The section also permits the union shop provisions of such a contract to take effect within 7 days of hiring. No other change is made in union security limitations now in the law. The agreements could also provide for: Employer notification to the union of job openings and opportunity for the union to refer qualified applicants for the openings. Agreements for apprenticeship qualifications, experience, industry, or geographical seniority would be permissible to meet the peculiar needs of the industry. It is specifically provided that a contract permitted by this section would not be a bar to a representation or decertification election.

(b) This subsection specifically provides that the union security provisions of agreements permitted by (a) are subject to prohibiting the execution or application of such agreements.

Section 703: Amends the National Labor Relations Act to provide that economic strikers shall vote in representation elections even though they have been replaced in the course of a lawful strike under such regulations as the National Labor Relations Board finds are consistent with the purpose and provisions of the National Labor Relations Act, as amended.

Section 704: Amends the definition of the term "supervisor" contained in present law so as to make clear that it does not apply to service assistants in the communications industry.

Section 705: Authorizes prehearing elections in union representation cases under a procedure whereby the National Labor Relations Board, when there are no substantial issues between the parties, is authorized to hold a representation election 45 days following the receipt of notice of the filing of the petition. Aggrieved parties are assured a hearing, however, before the Board certifies the results of the election if they request such a hearing.

Section 706: Grants authority to the President to designate an Acting General Counsel when a vacancy in the office occurs pending appointment of a new General Counsel.

Section 707:

(a) Makes it an unfair labor practice for a union in a common carrier subject to part 2 of the Interstate Commerce Act to enter into so-called hot-cargo agreements.

(b) Specifies that the duty to bargain includes the mutual obligation of employers and the unions representing their employees to refrain from proposing or conditioning any contract upon a clause violating section 701(a).

(c) Provides that hot-cargo agreements violating section 701(a) are unenforceable and void.

(d) Makes the mandatory injunction provisions contained in section 10(1) of the National Labor Relations Act applicable to the prohibition of hot-cargo agreements contained in section 701(a).

Section 708:

(a) Adds to the National Labor Relations Act a new union unfair labor practice prohibiting picketing or threats to picket with the objective of forcing or requiring an employer to recognize or bargain with a union or force or requiring employees to accept or select such union as their bargaining representative under the following conditions:

(1) Where the employer has recognized another union (not established, maintained or assisted by any unfair labor practice defined in section 8(a) of the National Labor Relations Act) and a question concerning representation may not appropriately be raised under section 9(c) of the National Labor Relations Act; or

(2) Where a valid election under section 9(c) has been held within the preceding 9 months unless the union has been certified or has been designated or selected as the employee's bargaining representative by the majority of the employees in the bargaining unit.

(b) Makes the mandatory injunction provisions of section 10(1) of the National Labor Relations Act applicable to the enforcement of the new section 8(b)(7) added to the National Labor Relations Act by section 701(a). Such relief is to be subject to the limitation that it will be a defense to a charge filed under section 8(b)(7) that an unfair labor practice under section 8(a) has been committed. Where there is a failure to seek such relief the Board is to promptly make public the reasons for such failure.

Section 709: Adds to section 10 of the National Labor Relations Act a new subsection (m) providing that charges of unfair labor practices under sections 8(a)(3) or 8(b)(2) are to be given priority over all other cases except cases of like character and cases arising under section 10(1).

Mr. KENNEDY. I wish to express again my appreciation to Prof. Archibald Cox, of Harvard University, who contributed his services voluntarily last year and this year in the preparation of the bill on a completely nonpartisan basis. He now serves as chairman of the so-called Blue Ribbon Commission.

I wish also to express my appreciation to the majority members of the staff, Mr. Dungan, counsel for the Subcommittee on Labor, and Mr. Merrick, who is counsel of the Subcommittee on Railroad Retirement Problems, and is an expert in this field.

On the minority side, I wish to express my appreciation to Mr. Bertstein and various assistants of Senators who played a large role in bringing the bill to the floor of the Senate.

As I have said, the work in the Senate represents a bipartisan bill on a nonpartisan subject, and I am hopeful that in the other body it will continue to receive support from both sides of the aisle.

ADJOURNMENT TO 10:30 O'CLOCK A.M. TOMORROW

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. KENNEDY. Mr. President, in accordance with the order previously entered, I now move that the Senate stand in adjournment until 10:30 o'clock a. m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 33 minutes p.m.), the Senate adjourned, under the order previously entered, until tomorrow, Thursday, April 30, 1959, at 10:30 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 29, 1959:

U.S. CIRCUIT JUDGE

Latham Castle, of Illinois, U.S. circuit judge, seventh circuit.

U.S. COURT OF CUSTOMS AND PATENT APPEALS

Eugene Worley, of Texas, to be chief judge, U.S. Court of Customs and Patent Appeals.

Arthur M. Smith, of Michigan, to be associate judge, U.S. Court of Customs and Patent Appeals.

U.S. DISTRICT JUDGE

Edwin A. Robson, of Illinois, to be U.S. district judge for the northern district of Illinois.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 29, 1959

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

The Reverend Alonzo Jordan, chaplain, North Carolina House of Representatives, Raleigh, N.C., offered the following prayer:

Our Heavenly Father, in the quietness of these moments, we come to talk with Thee just now. Wilt Thou behold us with favor because we come to Thee with gratitude in our hearts, thanking Thee for Thy blessings, for Thy love, and for Thy mercy.

We come praying, our Father, for Thy blessings upon these Representatives, the servants of the people, and we pray that Thou wouldst be with them in their work. And may we all this morning be Thy servants. May we be like the prophet of old, Samuel, who, as a child when he heard Thy voice said:

"Speak, Lord, for Thy servant heareth."

Bless our work today and go with us through the day. And may we so work this day and all the days of our lives that when we come to the twilight hour and darkness has fallen upon the day of life, may we not be afraid, but may Thy voice be sweet and clear to us, and may we hear, "Thou hast been faithful over a few things; I will make thee ruler

over many things, and enter thou into the joy of thy love."

For we pray our prayer in our blessed Saviour's name and for His sake. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a resolution, as follows:

SENATE RESOLUTION 112

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable JAMES G. POLK, late a Representative from the State of Ohio.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn until 11 antemeridian tomorrow.

The message also announced that the Senate having proceeded to reconsider the bill (S. 144) entitled "An act to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953", returned by the President of the United States to the Senate, in which it originated, with his objections, and passed by the Senate on a reconsideration of the same, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59–9.

MODIFICATION OF REORGANIZATION PLAN NO. II OF 1939 AND REORGANIZATION PLAN NO. 2 OF 1953

The SPEAKER laid before the House the following message from the Senate:

IN THE SENATE OF THE UNITED STATES,

April 28 (legislative day April 27), 1959.

The Senate having proceeded to reconsider the bill (S. 144) entitled "An act to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953," returned by the President of the United States to the Senate, in which it originated, with his objections, and passed by the Senate on a reconsideration of the same, it was

"*Resolved,* That the said bill pass, two-thirds of the Senators present having voted in the affirmative."

Attest:

FELTON M. JOHNSTON,
Secretary.

MODIFICATION OF REORGANIZATION PLAN NO. II OF 1939 AND REORGANIZATION PLAN NO. 2 OF 1953—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following veto message from the President of the United States:

To the Senate of the United States:

I return herewith, without my approval, S. 144, "An act to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953."

The bill provides that, in the approval and disapproval of loans, the Administrator of the Rural Electrification Administration (REA) shall not be subject to the supervision, direction, or other control of the Secretary of Agriculture. In all other respects the functions and activities of the REA would be exercised within the Department of Agriculture under the general direction and supervision of the Secretary.

Were S. 144 to become law it would mark a major retreat from sound administrative policy and practice. Twenty years ago the REA, then an independent agency, was by reorganization plan placed within the Department of Agriculture and under the general direction and supervision of the Secretary. The President, in his message transmitting Reorganization Plan No. II of 1939, said that the proposed reorganization was for the "sole purpose of improving the administrative management of the executive branch."

That action of 20 years ago accords entirely with the later finding of the first Commission on Organization of the Executive Branch that: "There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent of that of his superior."

Because S. 144 violates this sound injunction I am compelled to disapprove it.

Moreover, there is nothing in the recent history of the REA which affords any basis for concluding that the best interests of the agency or the public would be served by removing the Administrator's loan-making authority from the general direction and supervision of the Secretary of Agriculture.

The REA since its inception has moved steadily in the accomplishment of its mission. When the agency was established, only a small percentage of the Nation's farms had central station electric service. Today 96 percent of our farmers have such service and about one-half the increase has been provided by REA financed facilities.

In the past 6 years the REA financed systems have made their greatest progress. Loans of more than a billion dollars have been made in this period, nearly half as much as was loaned by the agency in the previous 17½ years of its existence. Power sales have more than doubled since 1952, loan delinquencies have been reduced to the vanishing point and the net worth of electric borrowers has more than tripled. Plant investment for these systems has more than doubled in the past decade. The REA telephone loan program, authorized in 1949, has resulted in loan approvals which now total approximately $500 million and modern dial telephone service is rapidly being extended to the Nation's rural areas.

The REA has been working well and progressing efficiently under the existing administrative arrangements. The change in those arrangements proposed by S. 144 would be contrary to the public interest.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 27, 1959.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. McCORMACK. Mr. Speaker, I move that further consideration of the President's message be postponed until tomorrow.

The motion was agreed to.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

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

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during general debate today.

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

There was no objection.

COMMITTEE ON LABOR STANDARDS AND COMMITTEE ON LABOR-MANAGEMENT

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Labor Standards and the Committee on Labor-Management, sitting as a joint committee, have permission to sit this afternoon during general debate.

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

There was no objection.

WE NEED IMMEDIATE ACTION ON THE HOUSING BILL

Mr. PORTER. 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 Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, since February 27, 1959, the housing bill has been locked up in the rules committee. On Thursday, April 16, after hearings on the bill, S. 57, a tie vote in the committee

denied a rule on this important legislation. I was glad to hear yesterday that the Speaker indicated that he expected that the tie would be broken very soon in favor of the bill.

The housing bill is important to our Nation's economy. Every day's delay on this legislation is harmful. The bill means jobs for unemployed workmen in our country. It means improved college housing. It means better homes, fewer slums and an increased gross national product.

This week I receive another letter urging that the housing bill be brought to the floor for action. I have received many such letters.

This letter came from Dr. O. Meredith Wilson, president of the University of Oregon in Eugene.

Dr. Wilson writes, in part:

We have been disturbed by discovery that the Rules Committee of the House of Representatives has refused to clear the college housing bill for consideration.

This university, with other institutions in the State system of higher education here in Oregon, has made application for housing loans under the bill. We are also aware of the fact that many of our fellow institutions throughout the country have been dependent upon the housing bill much more directly than we. In our judgment, it is one of the ways in which the Federal Government can help education without any threat to local autonomy and with considerable help for the development of schools during a period of rapid expansion.

Dr. Wilson urges the earliest possible action and so do I.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Andersen, Minn.	Davis, Tenn.	Miller, N.Y.
Ashley	Diggs	Perkins
Barry	Downing	Randall
Bonner	Glenn	Ray
Brewster	Hoffman, Mich.	Rivers, S.C.
Buckley	Holifield	Roberts
Bush	Jensen	Tollefson
Carter	Kilburn	Westland
Casey	King, Calif.	Whitten
Cooley	McMillan	
	McSween	

The SPEAKER. On this rollcall 400 Members answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REREFERENCE OF CERTAIN BILLS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the bills H.R. 3244 and H.R. 3991 for the relief of Harold N. Ward be rereferred from the Committee on Veterans' Affairs to the Committee on the Judiciary.

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

There was no objection.

AMENDING RAILROAD RETIREMENT ACT OF 1937, THE RAILROAD RETIREMENT TAX ACT, AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5610 is of direct and in many cases of vital importance to some 2 million of our fellow citizens and their families. These include railroad men and women of America, actively employed by railroads and also the retired and unemployed. These people have been patiently waiting for Congress to act on this legislation for several years.

The high cost of living and inflation has been devastating on the retired citizen during the last few years. The unemployed railroad workers, whether permanent or temporary, has been shut out of the market for most of life's ordinary conveniences by reason of conditions beyond his or her control.

During the 85th session of Congress, the railroad retirement legislation was postponed and inexcusably neglected. A great number of our Members constantly fought to secure favorable action on railroad retirement legislation but to no avail. The time has finally arrived for the Congress to act.

The purpose of this legislation is, generally speaking, to strengthen and place on a sound self-supporting basis the railroad retirement and the railroad unemployment insurance system.

Each Member of the House should acquaint himself with all the provisions of H.R. 5610. The bill has outstanding merits and it also contains several provisions which are highly detrimental to the railroad workers and their families.

The most important provisions of H.R. 5610, as approved by a majority of the Committee on Interstate and Foreign Commerce, are these:

First. It would generally increase railroad retirement benefits by 10 percent. It would also liberalize the railroad retirement system in several minor ways.

Second. The bill would raise the rates for railroad retirement taxes. These taxes are levied equally on railroad employes and on the railroads themselves. At present, both sides pay at the rate of 6¼ percent of each employee's compensation up to $350 a month. The bill would raise this tax rate to 6¾ percent from date of enactment to the beginning of 1962. Thereafter, the rate would go to 7¼ percent. Also, if in future years, the scheduled increases in social security taxes go into effect, similar increases would also be imposed in railroad retirement taxes. Moreover, the bill raises the taxable earnings base from $350 to $400 a month, effective with enactment.

Third. The bill would increase the maximum daily rate for railroad unemployment and sickness benefits by roughly 20 percent. It would extend to unemployed railroaders the same type of limited emergency prolongation of benefits that we voted for other unemployed workers last year. Jobless railroaders did not benefit from that emergency legislation last year.

Fourth. The bill would increase the tax ceiling for railroad unemployment insurance from 3 to 3½ percent and make other provisions needed to save this unemployment insurance fund from bankruptcy. These taxes, in contrast to the railroad retirement taxes, are paid solely by the railroads.

Fifth. H.R. 5610 would curtail or abolish certain unemployment and sickness benefits presently enjoyed by the railroad workers. The committee report estimates the value of these curtailments at $21.4 million a year. The workers would lose that amount, the railroads would gain it.

These are the main provisions in the bill. I should like to make two general comments:

First. I would emphasize that this benefit bill we are asked to discuss will not cost the U.S. Treasury one penny.

Second. This bill reminds us that the railroads and their workers are not under the general social security and unemployment insurance system. Instead, they have a special system of their own. This system is approved alike by spokesmen for the railroads and for their employees.

In some ways, the railroad system is more liberal than the general social insurance system; it is also more costly. The chief reason for this development, I believe, can be found in the fact that the Congress for many years, through the Railway Labor Act, has imposed special restrictions on collective bargaining and the right to strike in the railroad industry.

As a result, while organized workers in other industries have won supplemental pensions and unemployment and sickness benefits directly from their own in-

dustries—often by lengthy strikes—the railroad workers and their unions have turned more often to the legislative path to secure some of the same gains.

Let me now turn to a very brief interview of the legislative history behind H.R. 5610. This starts in the year 1956, when the Congress voted a 10-percent increase in most railroad retirement annuities. However, Congress then provided no increase in the tax rate to pay for those higher benefits.

At that time, spokesmen for both the railway brotherhoods and the industry assured Members that they would support the needed tax increases in the next Congress. President Eisenhower signed the 1956 act on the understanding, he said, that the needed financing would be forthcoming.

In the 85th Congress, the railway brotherhoods came to Congress with a bill which might be called the granddaddy of the present H.R. 5610. However, the grandparent was quite a bit larger and more comprehensive than the present offspring, H.R. 5610.

The 1957 bill provided a further 10 percent increase in retirement benefits, to relieve retirees from the effects of the constantly rising cost of living. It provided for tax increases on the employees and the railroads to pay for both the 1956 rise in benefits and the new rise. It also provided for a rise in the daily rate of unemployment benefits. Broadly speaking, in these various respects, the 1957 bill was not greatly different from our present H.R. 5610.

However, the 1957 bill also contained a major section designed to meet the fast growing problem of long-service railroad employees being thrown out on the streets because of increasing automation and declining passenger traffic on the railroads. This section of the 1957 bill provided extended unemployment benefits ranging up to 4½ years for railroad employees with 20 years or more of service who were laid off and unable to find new work for that long a period.

For various reasons, which I need not detail here, that 1957 bill did not emerge from the committees in either Chamber in 1957. Nor did it emerge in 1958 until near the end of the session.

When the Committee on Interstate and Foreign Commerce did report out that bill last summer, it cut down sharply on the proposal for extended unemployment benefits. Last year's committee bill provided such extended benefits for just 13 weeks for laid-off employees with 10 to 15 years of service, and 26 weeks for laid-off employees with 15 or more years of service.

In the closing days of the last session, that committee bill was not granted a rule. In the other chamber, however, a vote was taken last summer during the closing days of the session. The Senate, by a large majority then approved a bill also limiting the extended unemployment benefits to the 13- and 26-week periods.

An attempt to bring the Senate bill to the floor of this House was defeated by an objection. Thus Members of the House in the 85th Congress had no opportunity to vote on the matter.

This year, the gentleman from Arkansas, chairman of the Interstate and Foreign Commerce Committee, the gentleman from Michigan, senior minority member of that committee, and numerous other Members of the House, introduced bills substantially identical to the measure that passed the other Chamber last summer.

Members will note, however, that the bill reported from the committee this year, that is, H.R. 5610, was still further changed. The two most important changes, I should say, are:

First. H.R. 5610 has dropped completely the idea of a regular system of extended unemployment benefits for long-service railroad workers. The 4½-year proposal went out last year. Now the 13 to 26 weeks are gone too. Nothing whatever of the former bill's provisions on this problem is left in H.R. 5610.

Second. H.R. 5610 cuts back or abolishes already existing unemployment and sickness benefits in certain cases. The committee bill last year did not do that. I note also that a minority of the committee, consisting of 11 members, have announced their opposition to H.R. 5610 and their continued support of the bills, including H.R. 1012 introduced earlier in this session. This rule should be adopted and I hope that the Members after debate will substitute H.R. 1012 for the pending bill.

Thus we are dealing here with a controversial subject. It is not my purpose now to debate the merits of the controversy. What I do wish to urge on the House is that it is high time we reach some conclusion on this matter.

Extended hearings have been held by the Committee on Interstate and Foreign Commerce. All parties have been heard. Two million Americans and their families have been waiting long years for us to act. Many of these folks, whether retired or unemployed, are in real need. We owe them, at the very least, a decision on this legislation.

I reserve the balance of my time and yield 30 minutes to my colleague on the Rules Committee, the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the gentleman from Indiana has explained that this is an open rule, providing for 4 hours of general debate, for amendments under the 5-minute rule, and for one motion to recommit.

Last year this body passed the Transportation Act of 1958 by the vote of 348 to 2. We realized that the railroads were in serious financial trouble, caused mostly by conditions over which they themselves had no control. As a result of our action, the railroads were able to repair old equipment, to purchase new equipment, and to give employment that otherwise they would not have been able to do.

While the Transportation Act of 1958 dealt for the most part, perhaps, with railroad problems and came to be known by some as the railroad bill, its provisions were not by any means designed for the assistance, development, and welfare of the railroads alone. It was needed by and it benefited all forms of regulated, common-carrier transport—it was needed by and benefited shippers and consumers, and the public generally.

Interest in that bill was highlighted, it is true, by the plight of the railroad industry—especially certain parts of that industry—but an equally serious problem was posed by the weakening of our entire regulated, or common-carrier, system of transportation.

I believe all will agree that the railroads are still in serious financial trouble, especially the eastern railroads. We must be realistic as to just how much of an added tax burden the railroads can stand. I do not know whether they can withstand the impact of the provisions contained in H.R. 5610—but those provisions are much to be desired over the provisions of H.R. 1012.

Since it is apparent that it is the desire of the Congress to pass some legislation in the field of railroad retirement and unemployment insurance, I wish to congratulate the chairman and members of the great Committee on Interstate and Foreign Commerce for favorably reporting H.R. 5610 which was reported after the committee held lengthy public hearings in lieu of H.R. 1012.

The bill presently before us—which, I reiterate, is a better bill than H.R. 1012—would add an immediate payroll tax increase paid by the railroads—of about $100 million a year. It has been reliably estimated that future tax increases provided in this bill would eventually add approximately $225 million to the railroads' payroll taxes.

One must not forget that these added tax burdens of hundreds of millions of dollars affect the railroads solely—the railroads' competitors are not affected.

One would not have to be an Einstein to know that these added tax burdens of hundreds of millions of dollars a year must inevitably result in loss of railroad jobs, purchase of fewer new cars and locomotives, reduced maintenance of property and equipment, and less transportation service.

I feel that this country needs a railroad system, and I would like to preserve it.

It seems probable to me that placing additional financial burdens on them will eventually put them out of the picture entirely.

Mr. MADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, I ask unanimous consent to speak out of order, and to revise and extend my remarks.

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

There was no objection.

Mr. SISK. Mr. Speaker, I have the honor to rise today to call the attention of the Members and the Nation to our country's pioneer and longest celebrated event honoring a great food industry—the 50th annual celebration of National Raisin Week on May 3 through 9.

This important agricultural industry is centered around Fresno, Calif., in the district I represent. The great, fertile San Joaquin Valley of California produces almost all the raisins grown in the United States and about one-half of the world's supply. Through the years, raisins have contributed greatly to California's economy. Since 1851, thousands of our farmers have depended on the stability and vigor of the raisin industry. From a 500-ton crop in 1878, the industry has grown to an average in current years of about 220,000 tons, with a first sale value of around $40 million. Some 100,000 persons, including growers, processors, employees and their families, depend upon this income, and their purchases from stores and all the people with whom they do business spreads the amount throughout the economy of the State.

Raisins are a versatile food, with a great variety of uses to provide fine flavor and quick energy, alone or in combination with other food products. Current research by the industry and by Government is ever widening and broadening uses and opening new markets.

Our raisin industry is progressive and is quick to adopt means of helping itself. It was one of the first agricultural industries to broaden and stabilize its markets by nationwide advertising, and I am sure many of you will recall the pictured and printed question: "Had your iron today?"

The raisin industry has stabilized itself and taken effective steps to reopen foreign markets under a national marketing order, and, in addition, is carrying on an effective and continuing market promotion program under the direction of the California Raisin Advisory Board, organized under a California State marketing order. It has adopted the most modern methods of culture, processing and packing. This progressive and creative attitude is helping solve surplus problems in this industry, and I think the same principles will work equally well in other agricultural fields in which there may be periodic surpluses, if the Congress will provide the proper climate by urgently needed amendments and improvements to our marketing order machinery. Incidentally, this year there is a short crop, and raisins are scarce. I advise you to provide for your needs while they are available.

It is particularly appropriate that during the coming week we look back on the first observance of National Raisin Week 50 years ago. In 1909 the event was celebrated locally in the streets of Fresno, raisin capitol of the world, with a parade and auto races. The races, held on a steeply banked board track, were record breaking events. Famous drivers of the era included Barney Oldfield, Ralph DePalma and many other pioneer drivers. Parade floats were the most magnificent and costly of the day, some of them costing more than $10,000.

The people of the San Joaquin Valley are proud of their most distinctive product, which is of worldwide reputation for its golden goodness and they invite the Nation and the world to join with them during the coming week in marking the golden anniversary of the granddaddy of all food industry "weeks."

I am sure my colleagues will want to join with me and the people of my district in our observance of National Raisin Week, honoring a great and progressive agricultural industry.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. HARRIS. 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. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5610, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

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

Mr. HARRIS. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce is presenting to you, as you were advised a moment ago during the discussion of the rule, the bill, H.R. 5610, to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act.

Mr. Chairman, I plan to insert a full and detailed explanation of this bill in the RECORD and will undertake then to explain to the House the provisions of this bill and the problems in connection therewith.

First, let me say to my colleagues that no one here is more aware of the interest in this legislation than I. No one here realizes and understands more than I the controversial nature of it. No one here knows better than I or any other member of our committee, the importance of this legislation as well as some of the claims and contentions that have been made by those who have varying viewpoints. Because of that, I am going to ask the indulgence of my colleagues, to listen to me and to the other members of the committee, explain precisely the provisions of this legislation. We have had numerous people call on us and explain to us the problem that we have here from their own viewpoint, and certainly in their own interest.

Mr. Chairman. This is a highly technical and complicated bill. In such a program of social insurance benefits, it is necessarily complicated. There is a lot involved here. I trust the members of the Committee will endeavor to follow me as I explain this problem because I fear that some of us might have been influenced by certain efforts that have been exerted on the part of various people.

In the first place, let me take you back to 1951. This Congress, in an effort to provide the finest and the best Railroad Retirement and Unemployment Insurance Acts, extended benefits—both retirement benefits and unemployment insurance and sickness benefits—to the employees of the railroad industry. At that time there were approximately 1,400,000 employees in the industry. In 1951, this Congress extended and liberalized the benefits not only to the retired railroad employees themselves and those who become unemployed but also to dependents including the spouse and the widow and other surviving dependents of the railroad employee. In doing so, we integrated the railroad retirement program with the social security program. That was in 1951. Since that time there has been in effect a reinsurance of the railroad retirement program under social security. There is a transfer from the railroad retirement account to the social security trust fund an amount equivalent to the taxes which railroad employees and their employers would have had to pay if they were covered by the Social Security Act and in return there is a reverse transfer of funds which represent the benefits which social security would have had to pay these employees.

Under the retirement program there are today some 725,000 individuals who are drawing benefits from the railroad retirement fund.

Today, because of technology, because of business conditions, because of competitive conditions that exist in the transportation industry, of which we all know, the railroad industry has been losing some of its business. In fact, it has not been keeping up, percentagewise, with the total volume of freight and passenger service, and today there has been a reduction in the total rolls of employment in the railroad industry from 1,400,000 employees in 1950 to 810,000 employees a few months ago. In other words, in less than 10 years there has been a reduction in the number of employees in the railroad industry of some 600,000.

I present that to you as a very serious situation. To me that is a very bad situation for the railroad industry, which is the basic transportation system of this country. Everybody knows we have got to maintain the railroads. Service to the people of this country and our national defense requires it.

Last year, realizing the terrific condition that was presented to the Congress, we tried to do something to stabilize the railroad industry. That is a problem which the Committee on Interstate and Foreign Commerce and the Congress considered for 5 years before we passed the Transportation Act of 1958 to try to help the railroad industry.

In 1956, realizing that it was necessary to meet the increased cost of living, the Congress increased the railroad retirement benefits by 10 percent. We did not provide for the financing of this increase. When we increased the benefits by 10 percent we also increased the long-term actuarial deficit to $169 million a year on a net level basis. Today the actuarial deficiency is $213 million a year on a net level cost basis. The Congress and the railway brotherhoods

agreed at that time that we would provide increased taxes to take care of the deficiency in the retirement account, and that in 1957 we would come back and make up the deficit.

There is one thing everybody agrees to regardless of all the controversy in this program, and that is the necessity of maintaining an actuarially sound fund in the retirement program. There are too many people who are dependent upon this fund. The President, when he signed the bill in 1956, made a statement urging the Congress to make up the deficit in 1957.

In 1957 a bill, H.R. 4353, was introduced in an effort to carry out the commitment made by all of us. There were further liberalizing proposals in the bill, including both retirement benefits and unemployment benefits.

The committee was prepared to take action on the pending bill but was requested to defer such action, pending the outcome of a separate bill—H.R. 5551, 85th Congress—pending before the Committee on Ways and Means, which provided for the exclusion of employee retirement taxes from gross income for purposes of the employee's income tax and from withholding at the source. Therefore, no bill was reported by the committee during the 1st session of the 85th Congress.

In the interim the 1958 amendments to the Social Security Act gave a 7-percent increase in retirement benefits and survivor benefits. Many retired annuitants and survivors under the Railroad Retirement system received the benefit of that increase under social security in addition to the 10 percent prior to that time. This occurred because of the social security minimum guaranty provision of the Railroad Retirement Act provides that in no case will monthly benefits payable to retired employees and their wives and the survivors of such employees be less than the amounts the social security system would pay them if railroad employment were covered by that system.

At the close of the session last year when it became so apparent that H.R. 5551 would not pass, the committee at the urging of those interested, endeavored to report a bill. We reported a bill that would have provided an additional increase of 7 percent in retirement and survivor benefits, and that would have liberalized and increased benefits under the unemployment insurance program. That would have made the retirement and unemployment insurance funds sound by increasing the amounts to be paid both by the employers and the employees in the case of retirement and by employers in case of the unemployment insurance programs. That was at the close of the session. It would have granted in addition thereto a 20 percent increase in the daily benefit rates for unemployment and for sickness. It would have extended on a temporary basis to the less than 10-year employees 13 additional weeks of unemployment benefits; to those from 10 to 15 years of service 13 permanent additional weeks of extended unemployment benefits; and those who were employed longer than 15 years a total of 26 additional weeks of extended unemployment benefits which would make a total of 52 weeks of unemployment insurance benefits for this group of workers with 15 or more years of service.

As you know, there was a logjam that came up in the House of Representatives. In the meantime, the other body had reported a bill. The chairman of the subcommittee came over and talked to me and some others here on the floor of the House. This was an effort to try to overcome some of the controversies, because neither side liked it. The railway brotherhoods did not like it.

The railroads did not like it. But we were trying to work out something. So we agreed that we would undertake to work out this modification or compromise. But when the bill came over from the other body it was tacked on to a bill amending the Longshoreman's and Harbor Workers' Compensation Act which had nothing whatsoever to do with this program. It was an honest attempt to try to get something through, but it was blocked here on the floor of the House. So the whole thing died without anything being done.

At the outset of the present Congress, as chairman of the committee, I reintroduced the bill which became H.R. 1012, the one you heard so much about. We held hearings on that bill. We had executive sessions. The original bill introduced had a retroactive date for both benefit and tax payments to January 1, 1959. But we all knew this could not work, that you cannot go back to January 1 of this year and collect taxes from people who are not now working in the industry. There has been a turnover of something like 20,000 a month that have gone from the railroad industry to some other work, or for some reason are not any longer working for the industry. Therefore, you cannot go back to January 1 and collect taxes from somebody who does not work there any more. So it becomes a practical situation. Therefore, the committee changed the effective date of this bill, so that it would take effect on the first month following 46 days after the date of enactment, which gives the Railroad Retirement Board and the railroad industry a chance to take care of the paperwork in order to make these payments to the employees.

The retirement and taxing provisions of this bill, both the 10 percent increase and the amount of increased payments for both employer and employee, are identical, with the proposal in H.R. 1012 as it was originally proposed.

We have a bill here, H.R. 5610, that in the first place grants another 10 percent increase to the retired employees. That is what most of these people all over the Nation have been writing us about. They are interested in some increase to take care of the increased cost of living. So, therefore, there is no controversy over that phase of it. There is no controversy over amendments to the Railroad Retirement Tax Act because both bills are identical in this respect.

Part 3 of this bill is the part that is in controversy. That part contains the amendments to the Railroad Unemployment Insurance Act. The committee read the bill paragraph by paragraph and went over a lot of these things that had been brought to the attention of the committee over a period of years and considered to be abuses. The committee has worked its will and considered everyone of these proposals. It has turned down many of them as not being in the best interest, but it did adopt amendments that would affect the unemployment insurance benefits in five principal respects. These are:

First. The committee bill provides for extended, retroactive, temporary unemployment benefits of 13 additional weeks to all employees, regardless of length of service, who had exhausted, during last year's recession, their rights to normal unemployment benefits under present law, which could be as much as 130 compensable days, or 26 weeks in a benefit year. These temporary benefits are the same as those generally provided for all other industries by the Temporary Unemployment Compensation Act of 1958. H.R. 1012 would provide a temporary extension of benefits of 13 additional weeks to employees with less than 10 years of service, a permanent extension of 13 weeks to employees with 10 to 15 years of service, and a permanent extension of 26 weeks to employees with 15 or more years of service, provided they meet certain eligibility conditions specified in the bill.

Second. The committee bill eliminates the payment of maternity benefits, whereas H.R. 1012 does not change existing law which provides for maternity benefits.

Third. The committee bill would disqualify an employee for unemployment and sickness benefits if he leaves his railroad job voluntarily without good cause, and for unemployment benefits if he is discharged or suspended for misconduct related to his work. In the case of voluntary quits or discharges the disqualification would end when he has returned to work for a railroad and has worked at least 20 days. In the case of suspension the disqualification would end when the period of suspension ends.

H.R. 1012 makes no change in existing law which permits an employee who quits voluntarily without good cause to claim unemployment benefits after a 30-day disqualification, and sickness benefits immediately, and permits an employee discharged or suspended for misconduct to claim unemployment benefits immediately.

Fourth. The committee bill provides that an employee cannot claim sickness benefits for any period which is more than 90 days after the day on which he last worked in the railroad industry. Other slight modifications are proposed in the sickness benefit program. H.R. 1012 makes no change in existing law under which an employee who has left the railroad industry may, nevertheless, claim sickness benefits which could be as much as 130 compensable days or 26 weeks during the benefit year.

Fifth. The committee bill does not change existing law which provides that unemployment benefits may be paid for

only 7 out of 14 days in the first registration period (consisting of 14 days) in a new benefit year. H.R. 1012 would provide for 10 compensable days during the first registration period, the same as the law now provides for subsequent registration periods.

Both the committee bill and H.R. 1012 provide for an average increase of 20 percent in the daily benefit rates for unemployment and for sickness.

Both bills provide for a maximum tax rate of 3½ percent of payroll up to $400 a month for each employee paid only by the railroad industry to finance the unemployment and sickness insurance programs, which is one-half of 1 percent more than is required under present law.

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

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

Mr. WILLIAMS. I think it should be pointed out that the table of unemployment benefits that was written into H.R. 5610 is exactly the same table of benefits that was introduced originally in H.R. 1012; is that not correct?

Mr. HARRIS. Yes; the same table of daily benefit rates that we have had before us now for the last 3 years in trying to resolve this matter.

The committee considered extended benefits, and in view of the fact that all industry in the United States, by the recommendation of the President and the action of this Congress, was given 13 additional weeks of unemployment compensation on a temporary basis, it was decided that everybody in the railroad industry should have the same thing. So, the committee then adopted an amendment that would give 13 additional weeks of unemployment insurance benefits on a temporary basis to those who became unemployed from June 1, 1958, until April of this year. That is precisely the same program that was presented to the employees and for the employees of all other industries throughout the United States.

Now, someone said that is a terrible thing to do to the employees. Let me show you the difference in costs between H.R. 5610 and H.R. 1012. Thirteen additional weeks on a temporary basis, to all unemployed in the railroad industry, would cost approximately $20 million. In H.R. 1012 the extended unemployment benefit program would cost $13½ million a year for men with 10 or more years of service and from $15 million to $18 million to provide the temporary unemployment benefits for men with less than 10 years of service.

Therefore, we do not feel as some have said in a letter that you have received, that the committee has slaughtered the bill. We do not believe, as was stated in a letter from the railroad industry, the other side, that the committee has slaughtered the industry. We do not feel that at all. We feel that the committee has worked its will and, from all the evidence it heard and the facts established in the record of the committee, has worked out a bill that is fair and reasonable and one that will do some good. And yet it will get rid of certain abuses.

Now, what are those abuses? In addition to the extended benefit differences that I have explained, there are four other differences in the bill. Ever since the 1948 amendments to the Railroad Unemployment Insurance Act there has been a controversy over what is referred to as maternity benefits. That is a rather delicate subject to discuss, but yet an important one. And I hope no one accuses me or the committee of being against motherhood on this, but we have heard so much about this over a period of time that I think it important to discuss it.

Under the present program adopted in 1949 a woman who is employed in the industry and who becomes pregnant is automatically entitled to a certain number of days prior to the birth and a certain number of days following the birth. That can go up to a maximum of 130 days. There have been all kinds of reports of abuses.

What the committee did was to strike that automatic entitlement and left it in the sickness and benefit program. In other words, if a woman is sick or ill from pregnancy, she gets the benefits she is entitled to have under the sickness program. If after the birth of the child she is ill because of that condition or situation and it is shown in the regular way, then she is entitled to draw that benefit.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am delighted to yield to the distinguished gentlewoman from Illinois.

Mrs. CHURCH. I wonder if the gentleman could give us any idea whether or not the particular types of occupation which the women fill would endanger them, whether they were ill or not, if they were pregnant?

Mr. HARRIS. Usually they are office employees.

Mrs. CHURCH. Can the gentleman tell me the numbers or types of office employees?

Mr. HARRIS. No, I do not believe we had information broken down to show the numbers, as to whether they were typists or bookkeepers or secretaries, and so forth. But I would say that practically all of them would be office employees. There are some 4,000 such cases a year; I believe I am correct in that figure. That is, that number have received such benefits at a cost of approximately $3.5 million a year.

That is the second of the differences, although I do not call them the major differences. I think there is only one real major difference here, and that is the extended unemployment benefits, whether we are going to give and whether we can afford to provide on a permanent basis at an additional cost of $13.5 million a year which will have to be financed probably from increased freight rates, which your people and mine are going to have to pay. It has to be made up because only the railroad industry pays it. We are increasing the tax on the railroad industry from 3 to 3½ percent of the payroll. If we give all of the benefits provided in H.R. 1012, you might as well make up your minds that you are going to have to increase the tax to 4 percent. It will be necessary because the fund is depleted. By June of this year there will not be enough money in that fund to pay the unemployed and sick what they are entitled to have unless we do something about restoring it in some way. So in order to meet that we have provided an amendment here that the Board can borrow from the retirement fund on a temporary basis such funds as are necessary to make those payments for unemployment and sickness claims. That is just how serious it is.

We talk about increased benefits. I am for liberalizing them all we can. I like to see these people get those benefits. But I also feel there is a responsibility for the money being there when they are entitled to have it. If there are no funds to pay for those benefits, you are going to get some of the most stinging rebukes from your constituents for providing an unsound program. To me that is the one big issue, and we just have to face it.

One of the most highly controversial differences in the two bills is the proposal dealing with voluntary quits. Under the present law a person working in the railroad industry can walk off his job, quit, with no intention of ever returning, and that is done on some occasions. He stays out for 30 days, makes his application, and then draws his full maximum unemployment benefits if he remains unemployed. Under the law he is entitled to it, and they do it.

The committee felt that that was a situation that was taking money out of the fund and paying it to people who were not entitled to it as a matter of right. Therefore, the committee suggested in this amendment that if a man quits on his own and walks off the job and does not intend to work any more he is not entitled to unemployment benefits until and unless he goes back to work in the railroad industry and works 20 days. When he does that, then he is restored to his full rights and benefits. If he becomes unemployed for reasons not his own, then he is entitled to those benefits. There is a lot of controversy over that, but there are not, in my opinion, so many involved.

It is not such a great controversy, which should in any way adversely affect this bill as to its adoption and approval by this Congress.

Then there is the so-called misconduct amendment. Under the present law, a man who is guilty of misconduct and is separated from his employment is entitled to unemployment benefits regardless. This amendment would prevent him from receiving such benefits until he returned to work for the railroad industry and worked for at least 20 days.

Mr. Chairman, those are the general provisions of this bill. A more detailed statement and explanation of the committee bill follow.

Mr. Chairman, the committee bill H.R. 5610 provides for certain amendments to the Railroad Retirement Act, the Rail-

road Retirement Tax Act, and the Railroad Unemployment Insurance Act, which would improve and strengthen the retirement and unemployment insurance systems for railroad workers. Before I go into a detailed explanation of these amendments, I think it is important to discuss some background information. This will help the Members better to understand what the committee recommends in the bill and why it makes such recommendations.

INTRODUCTION

Many Members of the House will recall that during the closing days of the 2d session of the 84th Congress, legislation was adopted granting generally a 10-percent increase in railroad retirement and survivor benefits, with some exceptions—Public Law 1013, 84th Congress.

No provision was made for the financing of the cost of these benefits, which amounted to $83 million a year on a net level cost basis. There already was an existing deficiency at that time in the railroad retirement account of $86,390,000 a year on a level cost basis. Hence, enactment of this law increased the deficiency to $169,390,000 a year, or 3.2 percent of taxable payroll on a level cost basis.

The Congress was told that enactment of this legislation was an emergency measure and was necessary to help thousands of retired railroad employees, their wives, and the widows of such employees to meet their day-to-day living expenses. The Congress was assured by members of the Committee on Interstate and Foreign Commerce and by others who were interested in this program that legislation would be considered promptly during the 85th Congress to finance the cost of these benefits. Representatives of railroad labor organizations gave firm assurances that they would propose, at the opening of the 85th Congress, a legislative program to assure adequate financing. The President, in a statement accompanying the signing of Public Law 1013 at that time, stated in part:

> It is imperative that satisfactory legislation for this purpose—to assure adequate financing of the railroad retirement system—be proposed and enacted.

In the 85th Congress, this committee held hearings on railroad retirement legislation early in the first session. The principal interest during these hearings centered around H.R. 4353 and other identical and related bills. These bills were sponsored by all the standard railway labor organizations and were comprehensive measures designed to grant additional benefits and to eliminate the deficit in the railroad retirement account. At these hearings the railroads agreed to a tax increase to make up the cost of the increased benefits provided by Public Law 1013 in the 84th Congress.

The committee was prepared to take action on the pending bills but was requested to defer such action, pending the outcome of a separate bill—H.R. 5551, 85th Congress—pending before the Committee on Ways and Means, which provided for the exclusion of employee retirement taxes from gross income for purposes of the employee's income tax and from withholding at the source. Therefore, no bill was reported by the committee during the 1st session of the 85th Congress.

Recognizing the condition of the railroad retirement account, and the commitments made 2 years previously, the committee reported H.R. 4353 late in the 2d session of the 85th Congress which provided for an increase in retirement and survivor benefits of generally 7 percent and an increase in taxes sufficient to pay for these increases in benefits and to eliminate the actuarial deficit. Amendments were also proposed to the Railroad Unemployment Insurance Act. A rule was not granted on this bill and so it could not be brought up for consideration in the House under the regular procedure.

The Members who were here will also recall that on the last day of the 85th Congress a bill providing for amendments to the Railroad Retirement Act, Railroad Retirement Tax Act, and Railroad Unemployment Insurance Act was referred to the House by the Senate which had passed it only the previous day. These amendments were added to H.R. 12728 of the 85th Congress, a bill providing for amendments to the Longshoremen's and Harbor Workers' Compensation Act. That was a bill not within the jurisdiction of this committee, and the parliamentary procedure was rather unusual. The only way this bill could have been brought up in the House was by unanimous consent, and, as the record shows, there was objection to the unanimous-consent request. And so the legislation died with the adjournment of the 85th Congress.

On the opening day of this session, I as chairman of this committee, introduced H.R. 1012, a bill containing all of the features which had been contained in the Senate amendment to H.R. 12728, 85th Congress. The reported bill, H.R. 5610, is a "clean" bill introduced by me, by direction of the committee and reflects all modifications in H.R. 1012 approved by the committee during its executive consideration of legislation to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and Railroad Unemployment Insurance Act.

PURPOSE OF REPORTED BILL

The purpose of the reported bill is, generally, to strengthen and place on a sound self-supporting basis the railroad retirement system and the railroad unemployment insurance system. As to the railroad retirement system, this objective is accomplished by first, practically eliminating the present long-range actuarial deficit in the railroad retirement account; second, providing a much-needed 10-percent increase in retirement and survivor benefits; third, eliminating certain inequities in the system; and fourth, providing for the adequate financing of the system. As to the railroad unemployment insurance system this objective is accomplished by first, providing for a much-needed increase in the daily benefit rate for unemployed workers; second, providing for a temporary extension of unemployment benefits, not exceeding 65 compensable days in registration periods which began on or after June 19, 1958, and before April 1, 1959, for those workers who have exhausted after June 30, 1957 their rights to normal benefits provided under the Railroad Unemployment Insurance Act; third, eliminating certain inequities in the system; and fourth, providing for adequate financing of this system.

PRINCIPAL PROVISIONS OF THE REPORTED BILL

The reported bill would amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act in the following respects:

I. AMENDMENTS TO THE RAILROAD RETIREMENT ACT

First. Ten-percent increase in benefits: Annuities—including spouse and survivor annuities—and pensions would be increased generally by 10 percent. The increase would be slightly more than 10 percent for most employee retirement annuities and survivor annuities which are computed under the regular railroad retirement formula owing to the rounding of the percentage factors used in the computation of such annuities.

These increases would begin to accrue on the effective date of this act which is, except as specifically provided otherwise, the first day of the first calendar month beginning more than 45 days after the date of enactment of this act.

Second. Maximum creditable compensation increased to $400 per month: The maximum amount of monthly compensation creditable for benefit purposes would be increased from $350 to $400 effective with respect to services rendered on or after the first day of the first calendar month which begins more than 45 days after the date of enactment of this act.

Third. Women employees and spouses annuities at age 62: The privilege now available to any male employee with 30 years of service, of electing to receive a reduced annuity at age 60, would be available to a female employee with 10 years of service at age 62. Spouses of annuitants may also elect to receive a reduced annuity at age 62. The reduction in the annuity would be by one one-hundred-and-eightieth for each calendar month the beneficiary is under age 65.

Fourth. Earnings of disability annuitants: The earnings test now applicable to a disability annuitant provides that such annuitant, under age 65, does not receive his annuity for any month in which he is paid more than $100 in earnings. The reported bill would modify this provision so that if the annuitant's earnings in any calendar year begining with 1960 do not exceed $1,200, any monthly annuity which may have been withheld because the individual earned more than $100 in such month, would become payable. Should the annuitant's earnings exceed $1,200 in any year, his loss of benefits would not exceed 1 month's annuity for each $100 or less (providing it is more than $50) that the annuitant earned in excess of $1,200.

Earnings from employment with an "employer" as defined in the Railroad

Retirement Act, and earnings from employment with the disability annuitant's last nonrailroad employer before he retired, would not count toward this $1,200 maximum, since no annuities are payable under section 2(d) of the Railroad Retirement Act to individuals for any month in which such employment occurred.

Fifth. Residual lump sum: The formula for computing the residual lump sum would be amended in conformity with amendments proposed to the Railroad Retirement Tax Act (increasing the tax rate to 6¾ percent and later to 7¼ percent and the tax base to $400), namely, by increasing the percentage factor applicable to compensation to 7½ percent after the effective date of this act and before 1962 and to 8 percent for later compensation, and by increasing the maximum amount of compensation for any month to which such factors are applicable from $350 to $400 for any month after the effective date of this act.

Sixth. Repealing work restriction on survivors working outside United States: Under present law, a deduction is made from the annuity paid to a survivor until the total deductions equal such individual's annuity if such individual worked for 7 or more days in a calendar month in noncovered remunerative activity outside the United States.

The reported bill would make the work restrictions applicable to a survivor who worked outside of the United States the same as for those individuals who work in the United States. This change would permit the survivor to earn as much as $1,200 a year without loss of retirement benefits.

II. AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

Benefits payable under the Railroad Retirement Act are financed by a payroll tax payable by the employee and the employer, alike, collected under the Railroad Retirement Tax Act. The tax is 6¼ percent of each employee's compensation up to $350 a month. Each employee representative pays a tax of 12½ percent on his compensation up to $350 a month.

The reported bill would increase the tax rate on employees and employers from 6¼ percent to 6¾ percent on compensation earned on or after the effective date of this act and before 1962, and to 7¼ percent on compensation earned thereafter and make the tax applicable on the employee's compensation earned up to $400 in any month beginning on or after the effective date of this act. This tax rate would be increased, on a contingent basis, with respect to compensation paid after December 31, 1964, by the same number of percentage points—or fractions of percentage points—by which the then current social security tax rate exceeds 2¾ percent.

Thus, assuming that the social security tax rate increases as scheduled under present law, the railroad retirement tax rate would increase, under the provisions of the reported bill, to 8 percent in 1965, 8½ percent in 1966–68, and 9 percent beginning with 1969 and thereafter, on employee and employer alike.

The tax rate on employee representatives would be increased from 12½ percent to 13½ percent on earnings on or after the effective date of this act and before 1962, and to 14½ percent on later earnings, and the monthly limit on taxable compensation would also be raised to $400 on or after the effective date of this act. The tax rate would also be increased contingently with respect to compensation paid after December 31, 1964, just as in the case of the employer and employee tax rates, but this increase would be by twice the number of percentage points—or fractions of points—that the then current social security tax rate exceeds 2¾ percent.

III. AMENDMENTS TO RAILROAD UNEMPLOYMENT INSURANCE ACT

First. Maximum creditable and taxable compensation: The maximum amount of compensation for a month, for which credit would be given and contributions required, would be increased from $350 to $400 a month, effective with respect to compensation paid for service rendered on or after the effective date of this act.

Second. Increased daily benefit rates: A new schedule of increased daily benefit rates for both unemployment and sickness would apply, ranging from a minimum daily benefit rate of $4.50 for annual compensation of $500 to $699.99 to a maximum daily benefit rate of $10.20 for annual compensation of $4,000 or more. The proposed daily benefit rates range up to $1.70 higher than present scheduled rates. The minimum daily rate payable would be increased from the present 50 percent to 60 percent of the daily rate of compensation—with a maximum of $10.20 per day—for the employee's last employment in which he was engaged for an employer during the base—calendar—year.

These provisions would become effective with respect to benefits accruing for registration periods which begin on or after the effective date of this act, namely, the first day of the first calendar month beginning more than 45 days after the date of enactment of this act.

A comparison of the daily benefit rates under present law and under the reported bill is shown in the following tabulation:

Comparison of benefit rates in schedule under Railroad Unemployment Insurance Act with proposed schedule

Range of base-year compensation	Daily benefit rate		Percent increase
	Present act	Proposed schedule	
$400 to $499	$3.50		
$500 to $699	4.00	$4.50	12.5
$700 to $749	4.00	5.00	25.0
$750 to $999	4.50	5.00	11.1
$1,000 to $1,299	5.00	5.50	10.0
$1,300 to $1,599	5.50	6.00	9.1
$1,600 to $1,899	6.00	6.50	8.3
$1,900 to $1,999	6.00	7.00	16.7
$2,000 to $2,199	6.50	7.00	7.7
$2,200 to $2,499	6.50	7.50	15.4
$2,500 to $2,799	7.00	8.00	14.3
$2,800 to $2,999	$7.00	$8.50	$21.4
$3,000 to $3,099	7.50	8.50	13.3
$3,100 to $3,499	7.50	9.00	20.0
$3,500 to $3,999	8.00	9.50	18.8
$4,000 and over	8.50	10.20	20.0

NOTE.—Since the compensation ranges of the 2 schedules differ, it was necessary, for this comparison, to divide some rate groups into 2 parts.

Third. Temporary extension of unemployment benefits: Extended unemployment benefit periods beyond the 130 days of normal benefits now allowed by present law would be provided to any employee who has, after June 30, 1957, exhausted his rights to unemployment benefits under present law. Such employee would receive additional temporary unemployment benefits for days of unemployment not exceeding 65 days occurring in registration periods beginning on or after June 19, 1958, and before April 1, 1959. This provision would take effect on the date of enactment of this act.

Fourth. Increasing the minimum qualifying base year compensation: The minimum earnings in a base—calendar—year which would qualify an employee for benefits in a benefit year—year beginning July 1 immediately following the base year—would be increased from $400 to $500.

Fifth. Sundays and holidays made compensable days: Under present law, an unemployed railroad worker may not claim a Sunday or a holiday as a day of unemployment unless such day is preceded by and followed by a day of unemployment or unless the Sunday or holiday is the last day of a registration period. In the latter case it need only be preceded by a day of unemployment.

Under the reported bill, Sundays and holidays would be compensable days of unemployment, just as any other day, whether or not such Sundays and holidays are preceded and succeeded by a day of unemployment.

Sixth. Disqualification for unemployment benefits in case of discharge or suspension for misconduct: Under present law an employee discharged or suspended for misconduct can claim unemployment insurance benefits on the same basis as if he were involuntarily unemployed.

Under the reported bill, an employee could not claim any days of unemployment beginning with the day with respect to which the Railroad Retirement Board finds that he was discharged or suspended for misconduct related to his work. In the case of discharge, the disqualification would end with the 20th day thereafter with respect to each of which he shall have earned compensation in the employ of a railroad or another employer covered under the Railroad Unemployment Insurance Act. In the case of suspension the disqualification would end when the period of suspension ends.

Seventh. Disqualification for unemployment benefits for voluntary leaving work and for failure to accept suitable work: Under present law, an employee first, who leaves work voluntarily without good cause; second, who fails, without good cause, to accept suitable work offered to him; or third, who fails to comply with instructions from the Railroad Retirement Board requiring him to apply for suitable work or to report to an employment office, is disqualified from claiming unemployment insurance benefits for a period of 30 days from the date on which the enumerated action occurred.

Under the reported bill, the employee would be disqualified for any of the days beginning with the day on which the above-mentioned enumerated action occurred and ending with the 20th day thereafter with respect to each of which the Railroad Retirement Board finds that he has earned compensation in the employ of a railroad or another employer covered under the Railroad Unemployment Insurance Act.

Eighth. Repealing provisions with respect to maternity benefits: Under present law, maternity benefits are payable to a qualified woman employee for each day of sickness in a maternity period except that, as for unemployment and other sickness benefits, the total amount of maternity benefits cannot exceed the employee's total creditable compensation in the base year. The maternity period begins 57 days before the expected date of the birth of the child and usually extends for 116 days. Under some conditions it can last longer but in these cases no more than 116 days of the maternity period are compensable. The daily benefit rate is the same as for other benefits payable under the Railroad Unemployment Insurance Act. However, benefits are payable at the rate of 1½ times the regular daily benefit rate for the first 14 days of the maternity period and the first 14 days after the birth of the child. Thus the maximum amount of maternity benefits payable is the same as for unemployment or other sickness.

Under the reported bill the above-mentioned provisions with respect to maternity benefits would be repealed. The effect would be that female employees would not be eligible for benefits by reason of maternity, as such, but they could, although pregnant or having given birth to a child, receive sickness benefits to the extent they meet the conditions specified in the Railroad Unemployment Insurance Act.

Ninth. Disqualification for sickness benefits for voluntarily leaving work, for failure to accept suitable work, and so forth: Under present law an employee who is sick can, nevertheless, claim sickness benefits even though, first, he may have quit his job voluntarily without good cause or; second, he may have failed, without good cause, to accept suitable work offered to him or; third, he may have failed to comply with instructions from the Railroad Retirement Board requiring him to apply for suitable work or to report to an employment office.

Under the reported bill an employee cannot claim sickness benefits for any of the days beginning with the day on which the above-enumerated action occurred and ending with the 20th day thereafter with respect to which the Railroad Retirement Board finds that he has earned compensation in the employ of a railroad or another employer covered by the Railroad Unemployment Insurance Act.

Under present law, a sick employee may claim sickness benefits even though he is unemployed because of an "illegal" strike, that is, a strike commenced in violation of the Railway Labor Act or in violation of the established rules and practices of a bona fide labor organization of which he was a member. The reported bill provides that even though the employee is sick, such day shall not be considered as a day of sickness if, except for the sickness, he would have been unemployed due to an illegal strike. This disqualification would not apply if an employee is not participating in, directly interested in, or helping to finance the strike, and he does not belong to a grade or class of workers which some members are participating in, interested in, or helping to finance the strike.

Under present law an employee can claim sickness benefits up to a maximum of 130 days during a benefit year even though he may have left the railroad industry and established himself in a nonrailroad job. The reported bill provides that an employee would be disqualified for sickness benefits for any day which occurred more than 90 days after the last day with respect to which he earned compensation in the railroad industry. There would be excluded from such 90 days any day in which the Railroad Retirement Board finds that the employee was unemployed due to a stoppage of work as a result of an illegal strike, and any day in such 90 days in a registration period which begins, or in a continuous series of registration periods the first day of which series begins, before the expiration of such 90 days. For this purpose, a "registration period" would be deemed to be continuous with the preceding registration period if established within 10 days after the last day of such preceding registration period.

Tenth. Sickness benefits waiting period: Under present law, sickness benefits are payable for each day of sickness in excess of 7 during the first registration period—consisting of 14 days—within a benefit year in which an employee will have had 7 or more such days of sickness.

The reported bill would make sickness benefits payable for each day of sickness in excess of 9 days during the first registration period. It would also prevent the payment of any sickness benefits for days in a subsequent registration period—now payable after a waiting period of 4 days—by requiring that the employee should have had in that registration period, or in the next preceding 14-day period, not less than 7 days of sickness or unemployment or both. The bill also provides that a day of sickness, to be considered as such, must be a day on which the employee would have been available for work except for the fact that he was sick.

Eleventh. Increase in tax base and tax rate: Funds to support the railroad unemployment and sickness benefit programs are obtained from taxes collected by the Railroad Retirement Board from railroad employers. Employees do not contribute to these funds.

To provide funds for financing the additional benefits recommended in the reported bill, and to take care of existing needs, the bill provides for an increase in the monthly limit on taxable compensation from $350 to $400 a month for each employee, effective with respect to compensation paid for services rendered in calendar months which begin on or after the first day of the first calendar month which begins more than 45 days after the date of enactment of this act.

A comparison of the present tax rate schedule and the tax rate schedule proposed by the reported bill is shown below.

Schedule of present contribution rates

If the balance to the credit of the railroad unemployment insurance account as of the close of business on Sept. 30 of any year, as determined by the Board is—	The rate with respect to compensation paid during the next succeeding calendar year shall be—
$450,000,000 or more	½ percent.
$400,000,000 or more but less than $450,000,000	1 percent.
$350,000,000 or more but less than $400,000,000	1½ percent.
$300,000,000 or more but less than $350,000,000	2 percent.
$250,000,000 or more but less than $300,000,000	2½ percent.
Less than $250,000,000	3 percent.

Schedule of contribution rates proposed by reported bill

If the balance to the credit of the railroad unemployment insurance account as of the close of business on Sept. 30 of any year, as determined by the Board is—	The rate with respect to compensation paid during the next succeeding calendar year shall be—
$450,000,000 or more	1½ percent.
$400, 000, 000 or more but less than $450, 000,000	2 percent.
$350, 000, 000 or more but less than $400,000,000	2½ percent.
$300,000,000 or more but less than $350,000,000	3 percent.
Less than $300,000,000	3½ percent.

The balance in the railroad unemployment insurance account as of September 30, 1958, was $135,443,000. Therefore, the current tax rate is 3 percent. Upon enactment of this legislation the tax rate would increase to 3½ percent on compensation paid for services rendered on or after the effective date of this act.

Twelfth. Borrowing authority to finance railroad unemployment and sickness insurance programs: The Railroad Retirement Board, railroad management, and railroad labor organizations are in agreement with respect to the need for authority to permit the Board to borrow money from the railroad re-

tirement account in order to pay railroad unemployment and sickness benefits. The balance in the railroad unemployment insurance account as of February 28, 1959, was $50 million, which is a dangerously low level, and the balance may be insufficient to pay the benefits due in the months ahead.

Accordingly, the committee has provided in section 310 of the reported bill authority for the Railroad Retirement Board, whenever it finds that the balance in the railroad unemployment insurance account will be insufficient to pay benefits due, to request the Secretary of the Treasury to transfer from the railroad retirement account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payments of such benefits, and the Secretary of the Treasury is directed to make such transfer. The moneys borrowed would pay 3 percent interest.

This provision of the bill would take effect on the date of enactment of this act.

PRINCIPAL DIFFERENCES BETWEEN H.R. 1012 AND H.R. 5610

The reported bill, H.R. 5610, differs from the bill as introduced, H.R. 1012, in the following major respects:

First. With respect to amendments to the Railroad Retirement Act the only major difference between the two bills is the effective date provision. The reported bill, H.R. 5610, provides that these amendments, with minor exceptions, shall become effective on the first day of the first calendar month which is more than 45 dayes after the date of enactment. Hence, the effective date would be no less than 46 days but could be as much as 75 days after the date of enactment. H.R. 1012 provides for an effective date of January 1, 1959.

Second. With respect to amendments to the Railroad Retirement Tax Act, the only major difference between the two bills is, again, the effective date provision. This difference is the same as for the Railroad Retirement Act shown in paragraph 1, above.

Third. With respect to amendments to the Railroad Unemployment Insurance Act, the major differences between the two bills are as follows:

(a) The reported bill, H.R. 5610 provides that these amendments, with minor exceptions, shall become effective on the first day of the first calendar month which is more than 45 days after the date of enactment. Hence, the effective date would be no less than 46 days but could be as much as 75 days after the date of enactment. H.R. 1012 provides for an effective date of January 1, 1959.

(b) H.R. 5610 makes no change in existing law with respect to the number of compensable days of unemployment for which unemployment benefits may be paid in the first registration period in a benefit year (i.e., unemployment benefits may be paid for only 7 of the 14 days in the first registration period).

H.R. 1012 provides that the number of compensable days of unemployment for which unemployment benefits may be paid in the first registration period in a benefit year shall be 10 days.

(c) H.R. 5610 provides that the number of compensable days of sickness benefits for which benefits may be paid in the first registration period—consisting of 14 consecutive days—in a benefit year shall be 5 days. With respect to subsequent registration periods, the number of compensable days for sickness for which benefits would be payable would be 10 days but this payment would be conditioned upon the claimant having no less than 7 days of sickness or unemployment, or both, either in such subsequent registration period or in the 14 days immediately preceding such subsequent registration period.

H.R. 1012 makes no change in existing law with respect to the number of compensable days of sickness for which benefits may be paid. These are 7 days in the first 14-day registration period in a benefit year and 10 days in all subsequent registration periods.

(d) H.R. 5610 provides that all railroad employees who have, after June 30, 1957, exhausted their rights to unemployment benefits under present law, would receive additional temporary unemployment benefits for days of unemployment, not exceeding 65 days, occurring in registration periods beginning on or after June 19, 1958 and before April 1, 1959.

H.R. 1012 provides that such temporary extension of unemployment benefits described above would apply with respect to employees with less than 10 years of railroad service. Employees with 10 but less than 15 years of railroad service, upon exhaustion of their rights under present law to unemployment benefits in a given benefit year would be entitled to an additional 65 days of unemployment benefits in an extended benefit period of 13 weeks. Employees with 15 or more years of service, upon exhaustion of their rights under present law to unemployment benefits in a given benefit year would be entitled to an additional 130 days of unemployment benefits in an extended benefit period of 26 weeks.

(e) H.R. 5610 provides for the repeal of a provision in the Railroad Unemployment Insurance Act having to do with the payment of maternity benefits.

H.R. 1012 makes no change in existing law with respect to the payment of maternity benefits during a maternity period.

(f) H.R. 5610 provides that an employee, in order to be eligible for sickness benefits, must have been available for work except for the fact that he was sick.

H.R. 1012 makes no change in existing law which provides that an employee need not otherwise be available for work in order to obtain sickness benefits.

(g) H.R. 5610 provides that an employee who leaves work voluntarily without good cause, who fails without good cause to accept suitable work offered to him, or who fails to comply with instructions from the Railroad Retirement Board requiring him to apply for suitable work, would be disqualified for unemployment or sickness benefits until he has returned to work for a railroad and has worked at least 20 days.

H.R. 1012 makes no change in existing law which disqualifies an employee from claiming unemployment insurance benefits for a period of 30 days from the date on which the above-mentioned action occurred. After the expiration of the 30-day period he can claim unemployment benefits if he is still unemployed. Existing law does not disqualify an employee for sickness benefits even though he leaves work voluntarily without good cause, and so forth.

(h) H.R. 5610 provides that an employee would be disqualified for unemployment, but not for sickness, benefits if he was discharged or suspended for misconduct related to his work. In the case of discharge the disqualification would end when the employee has returned to work for a railroad and has worked at least 20 days. In the case of suspension the disqualification would end when the period of suspension ends.

H.R. 1012 makes no change in existing law under which an employee discharged or suspended for misconduct can claim unemployment insurance benefits on the same basis as if he were voluntarily unemployed.

(i) H.R. 5610 provides that an employee cannot claim sickness benefits if, except for the fact that he was sick, he is unemployed because of a wildcat strike. This disqualification would not apply if he is not participating in, directly interested in, or helping to finance the strike and if he does not belong to a grade or class of workers of which some members are participating in, interested in, or helping to finance the strike.

H.R. 1012 makes no change in existing law under which an employee who is unemployed because of a wildcat strike may, nevertheless, claim sickness benefits if he is sick during this period.

(j) H.R. 5610 provides that an employee cannot claim sickness benefits for any period which is more than 90 days after the day on which he last worked in the railroad industry. There are certain exceptions to this provision.

H.R. 1012 makes no change in existing law under which an employee who has left the railroad industry may, nevertheless, claim sickness benefits during any part of the benefit year if he is otherwise qualified.

(k) H.R. 5610 provides that the Railroad Retirement Board may borrow money from the railroad retirement account for the payment of benefits under the Railroad Unemployment Insurance Act with interest at 3 percent.

H.R. 1012 makes no change in existing law under which there is no authority to borrow money from the railroad retirement account for the payment of benefits under the Railroad Unemployment Insurance Act.

NEED FOR LEGISLATION

The need for increasing retirement and survivor benefits is obvious in the light of the fact that living costs have increased significantly since the last 10-

percent increase in benefits was provided in 1956 in Public Law 1013, 84th Congress. The 10 percent increase recommended in the bill will undoubtedly help to alleviate the hardships of annuitants and pensioners who are trying to live on a fixed income. The committee feels that the increase proposed in the bill is very modest and should be granted.

There was general agreement until recently that the railroad retirement system was virtually without peer among plans of its kind. However, with the passage of the 1950 and later amendments to the Social Security Act, including those enacted in 1958 providing for a general increase in benefits of 7 percent, and the gains made in the past several years by employees in many industries through the adoption of private supplemental pension plans, the railroad retirement system has fallen behind. Recognizing this problem, many Members of Congress have introduced bills proposing to improve the benefits under the Railroad Retirement Act, and this committee has held hearings on these bills and considered them very carefully.

In the consideration of all these bills, however, the committee has placed great emphasis on the effect of the proposed amendments on the financial soundness of the railroad retirement system. The committee is unanimously of the opinion that, regardless of the desirability of certain proposals for the liberalization of benefits under the Railroad Retirement Act, no amendments to the law should be made which would jeopardize the financial soundness of the railroad retirement system. This principle is accepted by all the standard railway labor organizations and by railroad management as well.

This committee has every desire to be helpful to retired railroad workers and their dependents. We are also mindful of our grave responsibility toward the currently active railroad workers and those who will follow and who will retire in the future. We must make certain that when they retire from the railroad industry the reserves in the railroad retirement account plus the income into the system will be adequate to pay the benefits due them.

We must also be mindful of the financial condition of the railroad industry and its ability to share the burden of the increases in taxes which the reported bill would impose upon them. However, we feel that, aside from the temporary decline in business and revenues which the industry has recently experienced but from which the railroads are now recovering, the industry is able to support the modest program proposed in the bill.

The option granted to women employees with less than 30 years of service and to spouses to retire at age 62 on a reduced annuity is similar to the provisions now contained in the Social Security Act. The granting of this option to accept reduced benefits would not add significantly to the cost of the system.

The amendment changing the earnings limitation for disability annuitants to $1,200 a year instead of $100 a month is designed to eliminate discrimination between a disability annuitant who may earn a little over $100 a month in several months and, therefore lose, under present law, his annuity for all such months, and another disability annuitant who may earn the same total amount as the first annuitant but whose earnings pattern may be such that he is required to give up only 1 month's annuity.

The amendment with respect to survivors who work outside of the United States is designed to place such survivors on an equal footing with survivors working in the United States so far as the earnings limitation is concerned.

The amendments proposed to the Railroad Retirement Tax Act—namely, increasing the maximum taxable earnings base to $400 a month, and increasing the tax rate—are necessary to pay for the retirement benefits proposed by the bill and to eliminate for all practical purposes the existing actuarial deficiency in the railroad retirement account.

The amendments proposed to the Railroad Unemployment Insurance Act are necessary to meet the increase in the cost of living, to provide for a temporary extension of unemployment benefits as in the case of industry generally, to correct certain inequities in the system, and to provide for sound financing.

The increase in daily benefit rates for unemployment and for sickness proposed by the bill ranges from 7.7 percent for the base year compensation range of $2,000 to $2,199 to 25 percent for the base year compensation range of $700 to $749. The increase is 20 percent for those who have a base year compensation of $4,000 or more. The minimum daily benefit rate payable would be increased by 20 percent; that is, the eligible employee would be entitled to 60 percent, rather than 50 percent of his daily rate of compensation—with a maximum of $10.20 per day—for the employee's last employment in which he was engaged for an employer during the base year.

The present schedule of daily benefit rates was enacted in 1954. In view of the rising wages and costs that have occurred during the last 5 years, these rates are inadequate today reasonably to compensate unemployed railroad workers for the loss in wages which result from their unemployment. The committee believes that the schedule of daily benefit rates proposed in the bill is justified and should be enacted.

The temporary extension of unemployment benefits provided in the bill would extend to unemployed railroad workers protection similar to that accorded to unemployed workers outside of the railroad industry pursuant to the Temporary Unemployment Compensation Act of 1958 (Public Law 85-441). Unemployed railroad workers who have exhausted after June 30, 1957, their benefit rights under existing law would be entitled to a temporary extension of their unemployment benefits for unemployment in the general period included in the legislation for other industry, namely, unemployment occurring in registration periods beginning on or after June 19, 1958, and before April 1, 1959. The maximum number of days for which extended benefits would be paid is 65 days and the daily benefit rates to be paid would be those in effect before the effective date of this act.

Employment in the railroad industry has declined very drastically in recent years, and it has now reached about the lowest level ever recorded. Six years ago there were over 1,200,000 employees working for class I railroads. This number dropped to 986,000 in 1957 and and to 810,000 in January 1959.

Some 112,000 unemployed railroad workers received unemployment benefits as of June 30, 1958. The amount of benefits paid during this month was $16,651,000 and the total amount paid in the first 6 months of 1958 was $121,224,000. From January 1 through June 1958 approximately 63,000 claimants had exhausted their benefit rights under the Railroad Unemployment Insurance Act. The Railroad Retirement Board estimates that almost as many claimants will have exhausted their benefit rights in the benefit year beginning July 1, 1958, and ending June 30, 1959. The Board has estimated that the total amount which would be payable under the temporary extension of unemployment benefits would be approximately $20 million.

The amendment providing that Sundays and holidays could be compensable days of unemployment just as any other day, whether or not such Sundays and holidays are preceded and succeeded by a day of unemployment, is necessary to rectify a condition which discriminates against certain categories of employees who, because of the manner in which their employment is scheduled, are unable to qualify for unemployment benefits.

The amendments providing for disqualifications against the payment of unemployment and sickness benefits to employees who are discharged for misconduct related to their work, who leave work voluntarily and who refuse suitable jobs, would merely reflect the principle that an employee should not be insured against wage loss resulting from his own voluntary act. These amendments would make the railroad unemployment insurance system conform to State unemployment insurance systems generally in those respects.

The present Railroad Unemployment Insurance Act does not bar the payment of unemployment benefits to persons who are discharged and may be guilty of misconduct related to their work, such as drinking on the job, pilfering, or otherwise violating rules designed to protect passengers, crew members, the general public, and railroad property and freight.

The disqualification against the payment of unemployment benefits to employees discharged for misconduct related to their work would restore a mis-

conduct provision that was in the original Railroad Unemployment Insurance Act and which was removed by a bill enacted in 1939, at the request of both railroad management and the railway unions. The proposed amendment in the reported bill would vary from the misconduct provision of the original law only in one respect. Instead of the original 45-day period after discharge for which no benefits would have been payable, the period under the amendment provided by this bill would be extended until the discharged employee will again have had 20 days of railroad work.

The disqualification against the payment of unemployment benefits to an employee who leaves railroad work voluntarily without good cause, or fails, without good cause, to accept or to apply for suitable work, is designed to cope with the situation where many employees leave the railroad industry for one reason or another, and after a short waiting period, become eligible to receive unemployment benefits if they are still unemployed. Many of these individuals are women who leave railroad work to keep house. Many younger employees leave to return to school. Under present law all of these ex-employees could claim unemployment benefits if they earn as little as $400—$500 under the reported bill—in railroad employment in the appropriate base year. It is important for the effective functioning of the unemployment insurance system that individuals who have voluntarily left the railroad labor market for all practical purposes no longer be eligible to receive unemployment insurance benefits until they have again returned to the railroad industry.

The redefinition of sickness, which provides that a day of sickness shall include only days for which the individual can show that he would have been available for work except for his sickness, is designed to exclude persons who would not be working in the railroad industry and would suffer no loss of railroad wages because of their illness.

The disqualification against the payment of sickness benefits to an individual who has not worked in the railroad industry within the last 90 days prior to his sickness, is designed primarily to exclude an individual who became sick after he has left the railroad industry and has established himself in nonrailroad work. This amendment recognizes that individuals previously in railroad work may be out on strike or may be unemployed and registered for railroad work, and these periods are excluded in the computation of the 90 days.

The amendment providing for the discontinuance of maternity benefits would also make the railroad unemployment insurance system conform to provisions of the State unemployment systems generally. The record of our hearings indicates that only Rhode Island pays benefits in maternity periods and in this State the entire cost is paid by employees and such payments are limited to 12 weeks. California and New Jersey and New York have established sickness benefit programs but not maternity benefit programs, as such.

The Railroad Retirement Board has informed the committee that it needs authority to borrow money from the railroad unemployment insurance acaount to administer the provisions of the Railroad Unemployment Insurance Act. In support of this position the Board advised that by the end of February 1959 the balance in the railroad unemployment insurance account had fallen to $50 million. The decline may not continue at such a rapid pace in the next few months because 55,000 unemployment beneficiaries and 15,600 sickness beneficiaries had exhausted benefit rights for the current fiscal year by the end of February. However, it is impossible to predict unemployment precisely and the balance in the account is at such a low point that even a minor dislocation in the railroad industry could cause enough unemployment to use up the available funds.

It is estimated that benefit payments for the current quarter will total about $70 million. This will be the fifth consecutive quarter in which benefit payments have been substantially above $50 million, the balance in the account at the end of February. A continuation of such a rate of expenditure would exhaust the funds available for payment of benefits within the next 6 months. Provision of borrowing authority is needed to prevent collapse of the program if this should occur.

IMMEDIATE EFFECT OF PROPOSED AMENDMENTS IN H.R. 5610 TO THE RAILROAD RETIREMENT ACT

The bill proposes to increase retirement and survivor benefits by 10 percent effective on the first day of the calendar month which is more than 45 days after the enactment date. For the purpose of these estimates, the effective date is assumed to be July 1, 1959.

EMPLOYEE ANNUITIES

An estimated 364,000 employee annuities, averaging $118, in course of payment on July 1, 1959, would be increased by 10 percent to an average of almost $130.

For an employee retiring on July 1, 1959, the maximum annuity that could be paid would rise from about $186 to $205. Subsequently, after the new $400 ceiling on taxable earnings goes into effect, the maximum would rise slowly up to the end of 1966. Thereafter, the maximum will rise more rapidly since more than 30 years of service will become creditable toward annuities.

An estimated 44,500 retirement annuity awards, averaging about $140, would be made in fiscal year 1959–60. These figures include about 500 awards to women employees aged 62 to 64 who would elect to accept a reduced annuity.

SPOUSE ANNUITIES

An estimated 133,000 spouses on the rolls on July 1, 1959, would also have their annuities increased by 10 percent. The average spouse annuity in currrent-payment status on that date would be increased to about $57. The estimated 16,000 unreduced spouse annuities to be awarded in fiscal year 1959–60 would average $58. The new maximum spouse annuity would be $66.60 in July 1959 and $69.90 in February 1960.

There are an estimated 36,000 spouses aged 62 to 64 who could elect to receive reduced spouse annuities. In the absence of specific experience and for the purposes of this report, it has been arbitrarily assumed that about three-fourths of them or 27,000 would choose to accept such reduced benefits. The reduced benefits would average about $51.

PENSIONS

An estimated 1,200 pensioners on the rolls on July 1, 1959, would receive 10-percent increases, bringing their average benefit to about $90 compared with the average of $82 under the present law.

SURVIVOR ANNUITIES

The estimated 244,700 survivor benefits in current-payment status on July 1, 1959, would be increased at least 10 percent. The maximum basic amount possible on July 1, 1959, under the new formula would be $80, while the maximum family benefits would be $193.60 and $279 under the railroad retirement and social security guarantee formulas, respectively.

An estimated 18,000 insurance lump-sum benefits would be paid in fiscal year 1959–60. The average lump sum would be $560.

DISABILITY WORK CLAUSE

The immediate effect of the change in the disability work clause would be comparatively small. About 1,000 annuities are withheld each month under the present provision and the amount of annuities withheld in a year totals about $1 million. The proposed change in the disability work clause is estimated to reduce the amount withheld in the first full calendar year after the effective date by about $200,000.

TOTAL BENEFIT PAYMENTS

Total benefit payments under the provisions of the bill in fiscal year 1959–60 are estimated at about $928 million, or $98 million more than would be payable under the present law. Of the additional $98 million, $83 million is attributable to the 10 percent increase in monthly and lump-sum benefits and the remaining $15 million to the new benefits for women employees and spouses aged 60 to 64.

TABULAR SUMMARY

The two following tables illustrate the effect of the proposed amendments. Table 1 shows the effect on benefits in course of payment on July 1, 1959, and table 2 covers benefit awards in fiscal year 1959–60.

Since the bill provides, in effect, a blanket 10-percent increase for all monthly benefits, including those calculated under social security formulas, it does not affect the distribution of monthly benefits awarded or being paid according to the formula under which they are computed.

TABLE 1.—*Estimated number of monthly benefits in current-payment status on the effective date,[1] and estimated average monthly amount before and after increases under the bill, by type of benefit*

Type of benefit	Benefits in current-payment status				
	Number			Average monthly amount	
	Total	Benefit computed under—		Present law	Proposed bill
		Railroad formula	Social security formula [2]		
Total	742,900	523,200	219,700		
Retirement:					
Employee annuities	364,000	328,000	[3] 36,000	$117.70	$129.50
Pensions	1,200	1,200		81.70	89.90
Spouse annuities	133,000	123,000	10,000	51.60	56.80
Monthly survivor:					
Aged widows' annuities	187,000	66,000	121,000	57.50	63.30
Widowed mothers' annuities	11,300	300	11,000	76.60	84.30
Children's annuities	42,200	1,500	40,700	49.80	54.80
Parents' annuities	1,100	100	1,000	58.40	64.30
Survivor (option) annuities	3,100	3,100		50.50	55.60

[1] Assumed to be July 1, 1959.
[2] Bill provides minimum benefits equal to 110 percent of the amount under social security formulas.
[3] Includes 7,000 disability annuitants aged 50 to 64.

TABLE 2.—*Estimated number of awards in first full year,[1] and average benefit under present law and the bill, by type of benefit*

Type of benefit	Awards under—			
	Present law		Proposed bill	
	Number	Average amount	Number	Average amount
Retirement:				
Employee annuities	43,000	$127.20	44,000	$140.00
Reduced age annuities to women			[2] 500	85.00
Reduced spouse annuities			[2] 27,000	51.00
Unreduced spouse annuities	22,000	52.50	16,000	57.80
Monthly survivor:				
Aged widows' annuities	21,000	67.10	21,000	73.90
Widowed mothers' annuities	2,300	85.60	2,300	94.20
Children's annuities	5,800	57.90	5,800	63.70
Parents' annuities	100	74.50	100	82.00
Survivor (option) annuities	50	55.00	50	60.50
Lump-sum payments:				
Insurance benefits	18,000	510.00	18,000	560.00
Residual payments	6,500	1,700.00	6,500	1,600.00

[1] Assumed to be July 1, 1959, to June 30, 1960.
[2] There will be an estimated 36,000 spouses of retired employees, and 1,000 women employees with less than 30 years of service, aged 62 to 64, eligible to elect reduced annuities. It is assumed that ¾ of the spouses and ½ of the women employees would make such elections.

IMMEDIATE EFFECT OF AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

The bill proposes to amend the Railroad Retirement Tax Act, effective on the first day of the calendar month which is more than 45 days after date of enactment, by raising the monthly limit on taxable earnings from $350 to $400, and by increasing the combined rate of tax from the present 12½ to 13½ percent from the effective date through calendar year 1961 and to 14½ percent in 1962–64. In addition, the combined rate of tax in 1965 and thereafter would be increased by the excess of future actual social security combined rates over 5½ percent.

Assuming that the railroad industry will be recovering from the low level of activity experienced during the 1957–58 economic recession with a consequent gradual increase in railroad employment and assuming the effective date of the amendments to be July 1, 1959, the effect of the proposed legislation on railroad retirement taxes in fiscal year 1960 would be as follows:

[Millions]

Item	Present law	Proposed law
1. Taxable payroll	$4,600	$5,100
2. Taxes at 12.5 percent	575	638
3. Taxes at 13.5 percent		689
4. Total additional taxes		114
(a) Due solely to higher tax base		63
(b) Due to higher tax on old base		46
(c) Due to higher tax rate on addition to old base		5

It should be emphasized that the above figures pertain only to the first year effect of the monthly limit and tax increases. The long-range estimates are shown elsewhere in this report.

ACTUARIAL EFFECTS ON RAILROAD RETIREMENT SYSTEM OF H.R. 5610

The Chief Actuary of the Railroad Retirement Board has estimated that the proposed amendments pertaining to the retirement and survivor programs would increase the cost of benefits by about $146 million a year on a level basis. It is further estimated that the additional immediate and deferred taxes would bring in about an extra $57 million in 1959, an average of $115 million in each of the years 1960 and 1961, and $174 million a year in 1962–64. In 1969, if the contingent increase in taxes becomes effective, as scheduled after 1964, the amount would reach about $370 million a year. A year-by-year estimate of the additional taxes on both employers and employees is shown in table 3. Of the $114 million in additional taxes—$57 million to be paid by the employers and an equal amount by the employees—in fiscal year 1959–60, $63 million would be due to taxing compensation between $350 and $400 a month at the rate of 12½ percent; and the remaining $51 million a year would be due to the additional 1 percentage point of tax on the total estimated taxable payroll of $5.1 billion for the year. The rise in 1962 would result mainly from the additional percentage point in the combined tax rate with similar situations occurring in later years.

Considering both additional outgo and additional income, the estimates indicate that the added revenues would exceed the added disbursements by about $179 million a year on a level basis, which is equivalent to 3.20 percent of a $5.6 billion taxable payroll. Since the actuarial deficiency for the present law, calculated as of December 31, 1958, is estimated at 3.81 percent of that payroll—adjusted from 4.18 of a $5.1 billion payroll—the enactment of the amendments would leave the railroad retirement system with an actuarial deficiency of 0.61 percent of payroll—3.81 minus 3.20—or about $34 million a year. The derivation of the above actuarial deficiency figure is shown in table 4 together with a breakdown of the major cost figures for the proposed program by source of cost or of savings, as the case may be.

TABLE 3.—*Estimated additional tax income under the amendment to the Railroad Retirement Tax Act contained in the bill*

[Dollar amounts in millions]

Calendar year	Rate of tax (percent)		Taxable payroll for $350 limit		Additional taxes under bill [1]	
	Employer	Employee	Level assumption	Short-range projection	Level assumption	Short-range projection
1959 [2]	6¾	6¾	$5,100	$4,600	$59	$57
1960	6¾	6¾	5,100	4,700	118	114
1961	6¾	6¾	5,100	4,900	118	116
1962	7¼	7¼	5,100	5,100	174	174
1963	7¼	7¼	5,100	5,100	174	174
1964	7¼	7¼	5,100	5,100	174	174
1965	8	8	5,100	5,200	258	262
1966	8½	8½	5,100	5,200	314	319
1967	8½	8½	5,100	5,200	314	319
1968	8½	8½	5,100	5,200	314	319
1969 and thereafter	9	9	5,100	5,200	370	376

[1] Difference between combined employer and employee taxes at proposed rates on taxable payrolls for $400 limit and 12½ percent of payroll with $350 limit. The taxable payroll for the $400 limit is estimated to be $500 million a year higher than for the $350 limit on monthly compensation.
[2] Assuming effective date of July 1 ,1959, so that additional taxes will be applicable to one-half of the year.

TABLE 4.—*Cost estimate for the railroad retirement program as it would be amended by the bill*

[Level cost figures are as of Dec. 31, 1958, and relate to a taxable payroll of $5.6 billion a year; the effective date is assumed to be July 1, 1959]

Item	Percent of payroll ($400 limit)	Amount per year (millions)
(a) Gross cost of benefits, total	20.89	$1,170
Employee annuities and pensions	[1] 14.20	795
Spouses' annuities	1.40	78
Aged widows' annuities	3.94	221
Other survivor annuities	.62	35
Insurance lump sums	.20	11
Residual payments	.39	22
Administrative expenses	.14	8
(b) Deductions from gross costs, total	3.08	173
Funds on hand	[2] 1.96	110
Gains from financial interchange	1.12	63
(c) Net cost (a—b)	17.81	997
(d) Future tax income, total	17.20	963
Independent of OASDI rates	14.39	806
Additional taxes after 1964 dependent upon OASDI rates	2.81	157
(e) Actuarial deficiency (excess of net costs over total future tax income)	.61	34

[1] Includes 0.08 percent of payroll for benefits payable with respect to dependents of disability annuitants under the social security minimum provision.

[2] Excludes an estimated $325,000,000 accrued under the financial interchange for the period July 1957, to December 1958, but not yet received. Had this amount been included, the 1.96 would have been increased to 2.13 and the next figure of 1.12 would have been correspondingly reduced to 0.95.

An analysis of the cost effects of the proposed amendments considered by themselves is presented in table 5. As previously indicated, the total level additional disbursements are estimated at $146 million a year, or 2.63 percent of payroll.

TABLE 5.—*Changes in actuarial deficiency due to the bill*

[Taxable payroll of $5.6 billion a year for $400 limit on monthly compensation; the effective date is assumed to be July 1, 1959]

Item	Percent of payroll ($400 limit)	Amount per year (millions)
Actuarial deficiency under law before amendments (as of Dec. 31, 1958)	[1] 3.81	$213
Benefits at present rates due to higher compensation base	+.71	40
Increase in benefits by 10 percent	+1.82	102
Elective reduced benefits to spouses and women employees at age 62	+.03	3
Increase in residual benefit	+.03	
Liberalization of work clause for disability annuitants	+.02	1
Taxes at rate of 12½ percent on additional taxable compensation	−1.10	−62
Increase in schedule of taxes independent of OASDI rates	−1.90	−106
Additional taxes after 1964 dependent upon OASDI rates	−2.81	−157
Actuarial deficiency under law after amendments (as of Dec. 31, 1958)	.61	−34

[1] Equivalent to 4.18 percent of payroll with a $350 limit on monthly compensation. In both instances, this is equivalent to $213 million a year.

IMMEDIATE EFFECT ON BENEFICIARIES OF AMENDMENTS IN H.R. 5610 TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The immediate effect on beneficiaries of the proposals to amend the Railroad Unemployment Insurance Act may be illustrated by reference to the effect they would have had on payments for the 1957–58 benefit year. Each of the proposals is discussed in turn.

Comparison of benefit rates in schedule under RUIA with proposed schedule

Range of base-year compensation	Daily benefit rate		Percent increase
	Present RUIA	Proposed schedule	
$400 to $499	$3.50		
$500 to $699	4.00	$4.50	12.5
$700 to $749	4.00	5.00	25.0
$750 to $999	4.50	5.00	11.1
$1,000 to $1,299	5.00	5.50	10.0
$1,300 to $1,599	5.50	6.00	9.1
$1,600 to $1,899	6.00	6.50	8.3
$1,900 to $1,999	6.00	7.00	16.7
$2,000 to $2,199	6.50	7.00	7.7
$2,200 to $2,499	6.50	7.50	15.4
$2,500 to $2,799	7.00	8.00	14.3
$2,800 to $2,999	7.00	8.50	21.4
$3,000 to $3,099	7.50	8.50	13.3
$3,100 to $3,499	7.50	9.00	20.0
$3,500 to $3,999	8.00	9.50	18.8
$4,000 and over	8.50	10.20	20.0

NOTE.—Since the compensation ranges of the 2 schedules differ, it was necessary, for this comparison, to divide some rate groups into 2 parts.

ELIMINATING OF THE SUNDAY AND HOLIDAY DISQUALIFICATIONS

The removal of the Sunday and holiday disqualification provision in the law would increase the number of compensable claims because, for a man normally working a 5-day week, after benefits have been paid for an initial registration period, any day of unemployment in a workweek could be a compensable day. Thus, in addition to increasing the number of compensable days in some claims, it would make other claims compensable for which no payment could be made under the present law. The wage contracts for nonoperating employees now provide payment for holidays. Nevertheless, in the course of a year there will be a substantial number of employees who will not get paid for one or more holidays for one reason or another. It is estimated that this change would have increased benefits for unemployment in 1957–58 by about $3,400,000.

DISQUALIFICATIONS FROM UNEMPLOYMENT BENEFITS

The proposed modification of the disqualifications for unemployment benefits in cases of voluntary quits, and failure to accept suitable work or failure to report for work or to an employment office, would have extended the disqualification period of those who were disqualified under sections 4(a–2) (i) and 4(a–2) (ii) in 1957–58 and caused the disqualification of many other beneficiaries. The proposed section 4(a–2) (iv) disqualifying those who were discharged or suspended would have prevented payments to thousands of other beneficiaries. Altogether it is estimated that nearly 20,000 unemployment beneficiaries would have received $10,800,000 less in 1957–58 if these provisions had been in effect. In the majority of cases all of the payments they received would have been prevented.

TEMPORARY EXTENSION OF DURATION FOR EMPLOYEES

Additional benefits would have been paid to about 60,000 1957–58 beneficiaries who exhausted benefit rights for that year under the temporary provision extending their duration of benefits a maximum of 13 weeks, but the average amount per beneficiary would be small because if they were unemployed most of them have received benefits in the current year. Nearly as many 1958–59 beneficiaries would also receive additional payments from this change, and these would be more substantial. It is estimated that the total amount payable under the provision would be about $20 million.

WAITING PERIOD FOR SICKNESS

The change which would pay benefits only for days of sickness over nine in the first sickness registration period instead of all days over seven would have reduced by two the number of compensable days for all beneficiaries who did not exhaust benefit rights. The other change in the sickness benefit formula, which would require that in order to pay benefits for a subsequent registration period there must be at least 7 days of sickness or unemployment in the period or in the 14 preceding days, would have had no significant effect on the benefits paid. Only a small number of claims would have been denied. The combined effect of the two changes would have reduced benefits to 125,000 beneficiaries by about $1,800,000.

DISQUALIFICATIONS FROM SICKNESS BENEFITS

It is not possible to estimate exactly the effect of the various proposals which would change the eligibility requirements and the disqualification provisions for sickness benefits, since they cover situations with which no experience has been had, such as the requirement of being otherwise available for work in order to get sickness benefits, and the disqualification of employees who have been out of the railroad industry more than 90 days. It is estimated, however, that the combined effect of these, and the application to sickness benefits of the disqualifications that have previously affected only unemployment benefits, would have reduced payments in 1957–58 by more than $5 million.

ELIMINATION OF MATERNITY BENEFITS

Elimination of maternity benefits would not have prevented the maternity beneficiaries from receiving regular sickness benefits while pregnant if they could have met the eligibility conditions. Thus, sickness benefits would probably have been paid to most of the 3,900 maternity beneficiaries in 1957–58 even though the $3,707,000 paid for maternity would not have been payable.

It is not clear what effect the various restrictions on payment of sickness benefits would have had on payments to them. For the purpose of these estimates it is assumed that the sickness payments would have been about half of the amount that was paid for maternity. This would have reduced benefits for the year by $1,800,000.

Estimates of the effect of the different provisions of the bill are summarized in the following table.

Provision	Unemployment		Sickness (including maternity)	
	Amount	Percent	Amount	Percent
Total benefits, present law [1]	$175,723,000	100.0	$56,960,000	100.0
Decreases in benefits:				
1. Due to $500 qualifying earnings	1,632,000	.9	191,000	.3
2. Due to changes in disqualifications and eligibility conditions	10,800,000	6.1	5,200,000	9.1
3. Due to change in waiting period			1,800,000	3.2
4. Due to elimination of maternity benefits			1,800,000	3.2
Increases in benefits for eligible employees:				
1. Benefit rate schedule (including effect of $400 a month maximum creditable earnings)	14,552,000	8.3	7,948,000	14.0
2. 60 percent benefit rate proviso	19,925,000	11.3	4,326,000	7.6
3. Removal of Sunday and holiday disqualifications	3,403,000	1.9		
4. Temporary additional duration for employees who exhausted benefit rights	[2]	[2]		
Net increase	25,448,000	14.5	3,283,000	5.8

[1] Net benefits payable for year, which differ slightly from published figures of actual amounts paid in the year.
[2] $20,000,000 in 1 year only; not included in totals, because not a cost factor for later years.

EFFECT ON BALANCE IN THE ACCOUNT

Under the present law, it is expected that the balance in the railroad unemployment insurance account will be reduced to a figure between $40 million and $50 million by June 30, 1959. Retroactive payments for the temporary additional duration provided by the bill would reduce this by $20 million, and if the bill should be enacted immediately, there might be some additional increase in benefits for June claims. Thus, the account would be reduced to a very low level at the end of the benefit year, with perhaps no more than $20 million remaining.

The effective date for an increased contribution rate would coincide with the effective date for increased benefit rates, but because of the lag in collection of contributions, the higher benefits resulting from the bill would be payable for 3 to 5 months before any added revenue would be received. Moreover, the current quarter, ending March 31, 1959, will be the fifth consecutive quarter in which benefit payments under the present law have been substantially above the balance now in the account—$50 million. A continuation of such a rate of expenditure would exhaust the funds available for benefits in a few months even without the proposed increase. Thus the borrowing authority provided in the bill is necessary to insure against a possible collapse of the program.

IMMEDIATE COST TO THE RAILROADS

The bill would provide a maximum contribution rate of 3.5 percent and maximum taxable earnings of $400 a month, both of which would become effective 1½ to 2½ months after enactment. Under present law, which would not be changed, the effective rate for 1959 is based on the balance to the credit of the railroad unemployment insurance account at the close of business on September 30, 1958. Because that balance has already been determined and proclaimed by the Board to be less than $300 million, the amendment providing that the effective rate would be 3.5 percent when the balance is under $300 million would apply on the general effective date of the bill. The rate for 1959 is 3 percent under the unamended law. Thus, the increase in rate would be only one-half of 1 percent for compensation paid in the balance of calendar year 1959, starting with the effective date. The average increase in costs accruing for the railroads for the next few years, as shown by the following table, would be over $40 million a year:

[In millions]

Calendar year	Contributions at 3 percent for present law, total	Contributions at 3½ percent, with $400 limit on taxable earnings	
		Total	Increase over present law
1959	$138	[1] $158	[1] $20
1960	141	182	41
1961	147	189	42
1962	153	196	43

[1] Assuming a July 1, 1959, effective date.

NOTE.—Figures are estimates of contributions that would be payable on compensation paid in these years

Since the estimated future cost of the program, as shown below, is substantially less than the amount that would be provided by a 3.5 percent rate, there should be some future years in which the contribution rate will be 3 percent rather than the maximum of 3.5 percent. In such years, the increase in cost, above the present law, will be limited to the amount of contributions at 3 percent on the increase in taxable payroll resulting from the $400 limit on taxable earnings, or about $15 million.

FUTURE COSTS

According to the latest estimates that have been made, benefits under the present provisions of the Railroad Unemployment Insurance Act will average about $145 million over a period of years, $94 million for unemployment and $51 million for sickness, including maternity. The estimate of taxable payrolls is $5.1 billion a year. Including administrative expenses, the total cost of the present program is estimated at 2.9 percent of the taxable payroll.

For the proposals contained in the bill it appears reasonable, and in accordance with a desire for sound financing, to assume for the future an increase of about one-fifth in the average amount of unemployment benefits and an increase of one-tenth in the amount of sickness benefits. This results in an average annual benefit cost for the future, if the bill should be enacted, of $170 million, of which $114 million would be for unemployment and $56 million for sickness. At the same time, the $400 limit on creditable earnings would, it is estimated, increase the taxable payroll to $5.6 billion. Including an allowance of 0.20 percent of payroll for administration and deducting 0.10 percent for interest on the balance in the account, the total cost of the program would then be about 3.15 percent of payroll. Costs for the present law and with the bill are summarized in the following table:

Item	Present law	With proposed changes
Average benefits, total	$145,000,000	$170,000,000
For unemployment	94,000,000	114,000,000
For sickness	51,000,000	56,000,000
Taxable payroll	5,100,000,000	5,600,000,000
Benefits as percent of payroll	2.85	3.05
Administration costs as percent of payroll	.15	.20
Allowance for interest on balance in account (minus)	—.10	—.10
Net total cost as percent of payroll	2.90	3.15

These cost figures are, of course, only an approximation based on what appear to be reasonable interpretations of available data, and on forecasts of the future of the railroad industry. With somewhat different assumptions, which may be just as reasonable, a variation of as much as one-fourth of 1 percent of payroll in either direction might be obtained. The figures can thus be interpreted as indicating that the cost of the benefit program under the Railroad Unemployment Insurance Act, if the bill is enacted would be somewhere between 2.9 and 3.4 percent of payroll.

FINANCING

The bill provides the following schedule of contribution rates:

If the balance on Sept. 30 in the railroad unemployment insurance account is—	The contribution rate for the next calendar year shall be—
$450,000,000 or more	1½ percent.
$400,000,000, but less than $450,000,000	2 percent.
$350,000,000, but less than $400,000,000	2½ percent.
$300,000,000, but less than $350,000,000	3 percent.
Less than $300,000,000	3½ percent.

The balance in the account on September 30, 1958, was $135 million. Thus, the maximum rate of 3½ percent would become effective on the general effective date for the bill. It appears, in view of the cost estimates, that the maximum rate of 3½ percent provided by the bill would be adequate to finance the benefits.

I urge the House to pass the committee bill.

The CHAIRMAN. The gentleman from Arkansas has consumed 38 minutes.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, our distinguished chairman has given a very lucid explanation of the bill. I do want to cover two or three items which I think are important. I think, first, we ought

to go back into the history of railroad retirement a bit.

First, in 1935, a railroad retirement bill was passed which was later contested and declared unconstitutional. In 1937, the President called the railroads and the brotherhoods together and asked them to agree on a program of retirement which neither of them would contest in the courts. That was done. There was little change made in that program until 1946. Since 1946 we have had nine public laws passed on railroad retirement and unemployment insurance, all of them in the form of increasing the benefits. Undoubtedly, when Railroad Retirement was passed in 1937 there were very few retirement plans in industry, and there was a need for it, and there was a need for putting this program under the Federal Government. However, since then approximately all retirement and unemployment coverage has been granted throughout all industry, and today we find the Federal Government confronted with the program of retirement and unemployment insurance for only one segment of our interstate commerce. We have nothing to do with the airlines, we have nothing to do with the retirement in regard to motor carriers or buses.

Ever since I have been a member of this committee I have felt that the program should be returned to the railroads and to the employees, and that full social security coverage should be given to every railroad employee, and they should negotiate on the fringe benefits and supplemental pensions just the same as employees of other industries.

I say so for this reason: When you look at the history of this program and all of the hearings we have had, you will find that Congress is called upon to sit at the bargaining table between the railroads and the employees. Frankly, Congress is not equipped to do that job. As you know, everything that comes to us—we must be frank about it—is political. It becomes political; it cannot be helped. That is one of the reasons why this program is in the shape that it is today. Unfortunately, my observation is—and I am sorry to repeat this, because I have many very fine friends in the Railway Labor Executives Association—but the tendency is to come to Congress repeatedly and say, "This is the program. Take it or leave it." Legislation, as we know, is not accomplished in that way. No legislation that we pass ever satisfies the extremes on either side. If it does it is not as a rule good legislation. It is always a matter of compromise. We have had this demand repeatedly. We had it last year. They came to us with a program for an increase of 10 percent. The committee had hearings and worked its will. We decided that the increase should be along the social security increase of 7 percent, and the committee passed a 7 percent increase. Immediately we were told "10 percent or nothing." They went to the other body and got a 10 percent bill, and as a result we got nothing.

The chairman has already pointed out the extent to which this retirement fund is in a precarious position. May I say in my opinion it will be in a precarious condition just so long as the condition exists where the Congress has to make the determination.

I want to correct one of the chairman's figures. I refer now to the testimony of the Chairman of the Railroad Retirement Board in answer to a question by Mr. ROGERS of Texas. He said:

> We are operating right now on an actuarial deficiency of about $213 million a year on a level cost basis.

That is the rate at which the deficit is running right now; it is what the deficit was last year. It increases, of course, every year. Every time you fail to act on this measure you increase the deficit. And may I add that in my opinion that does not tell the whole story, because this tax is based on a million employees in the railroad industry paying into this fund. There is not one piece of evidence in these hearings showing that we can reasonably expect to have 1 million employees back on the railroads. The best estimate that any witnesses gave us—employers, employees, Mr. Schoene, representing the Executives Association—all stated that 900,000 employees was about the maximum anybody could predict; and yet the estimate to bring this fund into an actuarially sound base is predicated on a tax on 1 million employees.

So, in my opinion, even though this fund is increased by raising the employee and employer contribution to 6½ percent each, unless you increase the number of employees on the railroads, you are going to have this same question before the Congress again and you will have to increase the taxes again if you want to make this fund actuarially sound. This year we are confronted again with the same policy of take it or leave it. You too must have had all these telegrams. Every one of them urges your support of the bill H.R. 1012 without amendment. In my opinion that is no way to legislate, and it is no way to approach this problem. I do not care who comes to this Congress with a bill, we as Members of this Congress are entitled to listen to the testimony, to listen to the opinions of others, to the statistics that are given to us and make up our own minds. We certainly have a right to amend these bills. There is nothing sacred about any bill. Any time we have to yield to that kind of propaganda, so far as I am concerned I do not want to be persuaded by such argument or to be a Member of this House under such conditions; and I am sure that you are not going to yield to such pressure, that you are going to support the committee in their action.

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

Mr. YOUNGER. I yield to the gentleman from Kansas.

Mr. AVERY. I just heard the gentleman refer to a telegram urging that H.R. 1012 be voted in as a substitute without amendment. I wonder if the gentleman would like to comment just briefly on what would be the result if such a thing were to take place?

In the first place, because of the fact that it is retroactive on some 850,000 employees, $12 per employee retroactive tax on every person and assessing an additional comparable retroactive tax against the railroads. This is assuming H.R. 1012 might be effective July 1, 1959.

Further, the unemployment insurance fund as of February 28 was down to $50 million. There is no provision in H.R. 1012 for the Railroad Retirement Board to transfer retirement funds on a loan basis into the unemployment insurance fund, and I am informed, I think on good authority, that if that fund is exhausted that we will have no more unemployment insurance benefits to any railroad employee. So I am wondering if members signing the minority report really want H.R. 1012 passed without amendment.

Mr. YOUNGER. The gentleman is correct. That was referred to time and again; in our deliberations when we were in executive session considering this legislation. We were implored to pass this bill without amendment. In other words, we were to disregard any judgment that we might exercise after hearing the testimony and the information furnished at the hearings, and the facts that were given to us.

The unemployment insurance feature has troubled me during the hearings and if you will read the questions I asked you will understand my concern from that standpoint.

Mr. Chairman, may I read from a brochure which we all received from the American Enterprise Association commenting on the bill before us:

> Railroad employees, like other employees, were initially covered by State unemployment systems. The theory of their coverage under a separate system by Congress in 1938 was to provide protection under a system better adopted to the interstate character of their employment, rather than to provide them higher benefit rates, additional types of protection and other advantages over that afforded by State systems.

That undoubtedly was the intent in 1938. I have great difficulty myself in passing benefits on to employees of railroads which are not benefits given to employees covered under the various State unemployment insurance acts. It was that reasoning which prompted my rating and I think it was somewhat the same reasoning that caused the committee again to exercise its judgment as a result of these hearings and to take out certain benefits that were on the fringe. Bear in mind, if you will go into the committee hearings you will find that on investigation by the Railroad Retirement Board of claims that were filed, 20 percent of them were found to be fraudulent claims. What we are attempting to do here in the committee bill is to take out those marginal items which creates the possibility for all of these various claims that were found to be fraudulent.

Mr. Chairman, the committee has done a good job. It is not the same bill that I would like, it is not the same that the railroads want, it is not the same bill that the railway labor executives want, it is not the same bill that the shippers want. You have heard from all of them. Frankly, I think because of that, we have brought to this floor a bill which is in the keeping of the fine traditions of this House; namely, the committee has

worked its will. We have not satisfied all those concerned, but we have presented a good sound bill that if put into effect will give adequate unemployment compensation and will keep the retirement fund on a more nearly actuarially sound basis than it is at the present time.

I certainly hope that the House will support the committee. There are only 11 of the 31 who have dissented. Twenty-two apparently have said, "OK." I listened rather intently when the vote was cast in committee on this bill—no one asked for a rollcall—and personally I did no hear a negative vote cast against the bill when the vote was taken in committee.

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

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. POFF].

Mr. POFF. Mr. Chairman, by reason of the shortness of time available, I cannot at this point undertake to deliver the speech I have prepared in its entirety.

Mr. Chairman, the Members of the Committee of the Whole are confronted with a rather confusing situation. Spokesmen for the railroads have painted an alarming picture concerning their present financial status and future economic prospects and they have registered unqualified opposition to H.R. 1012 which I understand will be offered as a substitute to the committee bill, H.R. 5610.

Spokesmen for the brotherhoods, on the other hand, have registered their unqualified opposition to H.R. 5610. The conflict of conviction would, at this point, appear to be irreconcilable.

It occurs to me that, in the midst of this conflict and confusion, it might be prudent to pause and inquire how those who help finance the railroad retirement fund, namely railroad workers, individually and collectively feel about legislation concerning their fund. If the entire matter were submitted by popular referendum to railroad employees, including those active, retired, and unemployed, how would they vote? In attempting to answer my own question I base my conclusions first on the results of a poll which I conducted last year concerning H.R. 4353—which is substantially identical to the railroad retirement provisions of both H.R. 1012 and H.R. 5610—second, on the sentiments expressed in an unusually heavy volume of daily mail; and third, on personal conversations with a host of railroad workers and their families whom I am privileged to count as personal friends. It would be inaccurate to say that there is unanimous agreement, but it is entirely accurate to say that the great majority of those who have communicated their views to me would favor the following in preference to either of the bills presently under consideration.

First. Unemployed railroad workers feel that they are entitled to an extension of unemployment benefits for a period certainly no shorter than that granted other jobless workers under the temporary unemployment compensation bill recently passed by the House. As of last January there were more than 200,000 railroad workers unemployed involuntarily. Over 40,000 of them had exhausted all of their unemployment benefits. More than 35 percent of those who were unemployed during 1958 were over the age of 45 years, and at that age it is common knowledge that an unemployed worker has virtually no opportunity to obtain employment in any other industry except that in which he is experienced. Surely, this Congress, having already answered the pleas of unemployed workers in other industries, cannot now turn a deaf ear on the pleas of unemployed railroad workers. The burden they suffer is no less acute than that of their neighbors across the street who work for other employers.

Second. Both active and retired railroad workers would, I am convinced, favor a repeal of the antique test period of 1924–1931 and the establishment of the 5-best-years rule, under the application of which the retirement benefits of workers—both active and retired—and their dependents and survivors would be substantially increased. Although the actuaries seem to be in some dispute among themselves, it does not conclusively appear that this method of increasing retirement benefits would be any more expensive than an across-the-board percentage increase.

Third. Most railroad workers currently employed would further favor (a) a reduction in the voluntary retirement age, (b) a repeal of the so-called last-employer clause, under which presently a worker loses his retirement benefits if, at the time he retires, he is holding some little side job—such as secretary or treasurer of a civic or fraternal organization—to earn a little additional income; and (c) repeal of the dual-benefits restriction on wives of retired railroad workers.

Mr. Chairman, railroad workers are reasonable men and women. They realize that any additional benefits awarded by Congress this year will require additional revenue to the fund. They know that the current operating deficit has been aggravated by the steep increase in unemployment. An unemployed worker necessarily can pay nothing into the retirement fund and his employer pays nothing on his behalf so long as he remains unemployed. In summary, the more workers unemployed, the less revenue and the less revenue, the greater the deficit in the fund's operation.

If additional revenue is essential to compensate for the revenue loss resulting from unemployment and if the workers are compelled to choose between an increased tax rate and an increased tax base, I am satisfied that a majority of the workers in my district would choose the former. Although such a plan is unavailable to many railroad workers in other sections of the country, many of the workers in my district are eligible for participation in a supplemental railroad retirement program to the extent that their wages exceed the taxable base established in the Railroad Retirement Act. Obviously, every time the taxable base in that act is increased, it adversely affects both eligibility and benefits under the supplemental retirement program. I understand that the increase in the tax base provided in the pending legislation is considered justified under the so-called interchange provisions of the law. That is a debatable argument.

It begins to appear that a monumental parliamentary snarl will develop when debate is concluded and the bill is read for amendment. At this point, it is uncertain which if any of the amendments previously referred to could be favorably considered on the floor. The uncertainty is complicated by the fact that, although independent bills embodying those provisions were pending before the Committee on Interstate and Foreign Commerce that committee failed to incorporate them into the bill which was finally reported. Moreover, rumors are extant to the effect that the adoption of those amendments on the floor would ultimately kill the entire bill unless those amendments collectively became a substitute for instead of additions to the committee bill. As a practical and parliamentary proposition, such a substitution is obviously impossible, and failure to pass any legislation—thereby denying unemployed railroad workers the extention of benefits previously granted workers in other industries—would be unthinkable.

Mr. Chairman, it seems to me that the conflict and confusion surrounding this situation should serve as a valuable object lesson. I believe all will agree that all of the confusion and most of the conflict could have been avoided had retirement legislation on the one hand and railroad unemployment compensation legislation on the other hand been considered as two separate bills. In the present state of things, the only realistic hope the workers have is that somehow during the future legislative process the snarl can be unraveled and agreement can be reached upon a fair compromise acceptable to all parties concerned. Of course, a compromise means that the bill finally voted upon will not completely satisfy any individual Member of Congress. If all of the 436 Members were granted authority to do so, each would write a somewhat different bill. However, those who are disappointed in the final version can take solace in the knowledge that there will always be another day and another opportunity to consider additional and different legislation. Such is the way of our American democratic process of lawmaking.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, as a member of the Interstate and Foreign Commerce Committee I must compliment our chairman, the gentleman from Arkansas [Mr. HARRIS], for the conscientious, studious, and honest job that he has done relative to this legislation. I should also like to say that in the many

years that I have served in legislative bodies I have never seen a committee that has worked so conscientiously and carefully, disregarding party lines, to find an answer to a very serious problem.

Mr. Chairman, throughout all of these hearings I have visited with many men concerned with this legislation. Many have been in my office, and I want to compliment them. All of them have been very fine and very fair. However, to each of them I said this: The bill that has resulted from the deliberations of this committee is, in my opinion, the kind of a bill that I would want if I were a railroad worker about to retire. We have what I believe to be a bill that emphasizes the retirement feature, which is of importance, and we have tried to come up with an unemployment feature that is actuarily sound. We have tried to do the best we could with a very complex subject. As has been mentioned, the railroads feel that they were not given the right kind of a bill. There are some railroad workers who feel that they did not get the kind of a bill they wanted. But, we did our best to go down the middle with a bill that has the right economic stability and is in the best interests of those whom we represent.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I arise in support of H.R. 1012 which amends the Railroad Retirement and Railroad Unemployment Insurance Acts.

Frankly, I am reluctant to support H.R. 5610 because it is a modified version of H.R. 1012 which is nearly identical to the bill passed by the Senate last year and which died on the floor of the House in the closing minutes of the 85th Congress.

As many of you know, both the Senate and House committees held extensive hearings in 1957 on H.R. 4353 and Senate bill 1313 and I committed myself to that bill from the day the 85th Congress adjourned last year. I looked forward to fulfilling my promise that I would support similar railroad retirement legislation which is now embodied in the provisions of H.R. 1012.

For the information of the committee, I have received hundreds of letters in support of H.R. 1012 and only five letters in opposition to it.

In this connection, I do not wish to convey the impression that there is not a division within the ranks of active and retired railroaders regarding approval of H.R. 1012 because there is.

However, I am convinced that the great majority of active and retired railroaders in my congressional district favor the provisions of H.R. 1012.

On February 3, 1959 I testified in favor of the enactment of H.R. 1012 before the House Committee on Interstate and Foreign Commerce and again committed myself to work for the approval of such a bill.

Therefore, speaking frankly since I am committed to work and vote for H.R. 1012 I cannot in good conscience accept a watered-down version of H.R. 1012 as represented by H.R. 5610.

Mr. Chairman, I am supporting H.R. 1012 because I think it is a step in the right direction in recognizing the urgent need for amending the Railroad Retirement and Railroad Unemployment Insurance Acts.

It is not my desire to take up the time of the committee in discussing the principal provisions of H.R. 1012 and compare them with the provisions of H.R. 5610 which has been ably done by Chairman HARRIS and other members of the House Committee on Interstate and Foreign Commerce.

It so happens that I represent one of the largest railroad populations in the country both active and retired.

The 10 percent across the board increase in railroad retirement benefits will be very helpful to my people since the increased cost of living when coupled with a 49-cent dollar is working real hardship on them.

Living among these people as I do, the hardships that result from trying to live on a fixed monthly income are well known to me.

In all seriousness, let us ask ourselves if we could live on the average monthly benefits paid to beneficiaries under the railroad retirement system which are as follows:

	Average annuity	Average age
Retirement annuitants	$117.70	71.6
Spouse annuitants	51.60	71.0
Pensioners	81.70	73.0
Survivor beneficiaries	57.50	----------

These figures that I have mentioned represent the amount of monthly benefits that these good Americans are trying to exist on in face of the inflated cost of living.

Should either H.R. 5610 or H.R. 1012 be enacted into law these benefits will be increased by 10 percent.

However, the increase under H.R. 5610 will not become effective until 45 days after the bill becomes a law. On the other hand, under H.R. 1012 the benefits will be retroactive to January 1, 1959.

At this point let me remind the committee that many of us interested in this legislation are committed to the date of January 1, 1959 simply because the 85th Congress increased social security benefits effective on that date.

Mr. Chairman, I would like to comment on the provisions of H.R. 1012 which amends the Railroad Unemployment Insurance Act.

At the present time there are some 7,000 idle railroaders in my congressional district with most of them residing in the communities of Altoona, Tyrone, Du Bois, Clearfield, and Osceola Mills.

Out of this some 7,000 unemployed, about 2,000 have exhausted their eligibility for unemployment insurance benefits and as the months go by others will suffer the same fate.

These unemployed railroaders with years and years of employment in the industry are today depending upon public assistance benefits from the State of Pennsylvania only after they have given the State a lien on any real estate they may own.

In addition, they are forced to liquidate their life savings before they are eligible for public assistance benefits.

Yes, these unemployed railroaders are also trying to exist on surplus commodities and it is a pathetic sight to see enginemen, firemen, and mechanics with many years of seniority in the railroad industry standing in line to receive surplus food.

It may be of interest to the committee to know that 22 percent of the residents of my congressional district are today receiving surplus commodities and many of them are my neighbors and unemployed railroaders.

Many of you will remember the great anxiety demonstrated by Congress last year in extending State unemployment compensation benefits 13 weeks and only a few weeks ago we extended the period of eligibility for such an extension to June 30 of this year.

Meanwhile, no action was taken on extending railroad unemployment insurance benefits although some of us pleaded for such action.

While it is true that H.R. 1012 and H.R. 5610 provide extended unemployment benefits beyond the 130 days of normal benefits now allowed by law, H.R. 5610 differs from H.R. 1012 by drastically restricting unemployment and sickness benefits which have been part of the Railroad Unemployment Insurance Act since their adoption in 1938 and 1946.

In addition H.R. 5610 ignores languages now in H.R. 1012 concerning unemployment benefit periods which would be extended for workers with 10 or more years of service by 65 to 130 days depending on length of service beyond the 130 day maximum provided in the present law.

In a few words, H.R. 5610 while granting the extension of the benefit period to those whose eligibility expired actually takes away certain unemployment and sickness benefits that are now in the law.

Mr. Chairman, in connection with the cost of H.R. 1012 and H.R. 5610 they would both require the same increase in payroll taxes and broadening of the tax base, yet H.R. 1012 is more liberal in its benefits.

Then, in addition, the increased income will place the retirement system on a sound financial basis.

As many of you know, the retirement fund's deficit has been of great concern to everyone since the system is now operating with a serious deficiency of $213 million per year on a level cost basis.

In connection with financing increased benefits under the Railroad Unemployment Insurance Act, H.R. 5610 increases the present tax now paid entirely by the railroads from 3 percent to 3½ percent, while H.R. 1012 will require an increase of the tax to 4 percent.

When you take into consideration the more liberal benefits provided for H.R. 1012 the one-half of 1 percent differential in tax between H.R. 5610 and H.R. 1012 in my opinion justifies enactment of H.R. 1012.

Mr. Chairman, as I said in the beginning of my remarks I am supporting H.R.

1012 because I committed myself to its provisions last year.

Furthermore, I think H.R. 1012 is a step in the right direction in our efforts to liberalize the Railroad Retirement and Railroad Unemployment Insurance Acts to meet the needs of active and retired railroaders of the Nation.

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

Mr. VAN ZANDT. I yield to the gentleman from Kansas.

Mr. AVERY. Did I correctly understand the gentleman to say that there was a half of one percent differential in the tax provisions in the two bills?

Mr. VAN ZANDT. Yes, the difference between 3.5 and 4 percent.

Mr. AVERY. I do not quite believe that is the case. To which bill did the gentleman allocate which percentage provision?

Mr. VAN ZANDT. We are talking now about the Railroad Unemployment Insurance?

Mr. AVERY. Yes.

Mr. VAN ZANDT. And we are talking about the tax.

Mr. AVERY. I believe the gentleman will find the tax requirements are the same in both bills.

Mr. VAN ZANDT. I might put it this way: It is a fact that both bills will increase the tax to 3.5 percent, but, if my memory is correct, the Chairman of the Railroad Retirement Board when appearing before the committee said the 3.5 percent would not finance the increases and it would take 4 percent. That was the basis of my statement.

Mr. AVERY. I quite agree with the gentleman, but the tax rate requirement in the bills are identical.

Mr. VAN ZANDT. The gentleman is correct.

Mr. FLYNT. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia.

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

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. STAGGERS. Mr. Chairman, first I would like to speak to the gentleman from Kansas [Mr. AVERY] to tell him that when the substitute is offered, the objections that he raised in relation to the tax provision will be taken care of, and that the effective date will be after the enactment of the bill, if that is one of his main objections. I assure the gentleman, it will be taken care of.

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

Mr. STAGGERS. I yield.

Mr. AVERY. I appreciate the gentleman's statement. It surprises me so because we have had all of these urgencies from the various States and the various districts telling us to vote for H.R. 1012 without amendment, and now the gentleman comes on the floor and says that he is going to vote for it.

Mr. STAGGERS. Did you get all these urgencies or did you hear of them by rumor?

Mr. AVERY. No, sir; I have a lot of them in my office, and I will be glad to show them to the gentleman.

Mr. STAGGERS. Is the gentleman referring to urgencies?

Mr. AVERY. Yes; to vote for H.R. 1012 without amendment.

Mr. STAGGERS. All right; we will not argue about that. By voting for H.R. 1012 with some of these things, you will get a better bill.

Mr. AVERY. I did not say that the gentleman who is now speaking was going to vote for H.R. 1012.

Mr. STAGGERS. I did not think you would be, but I do know that that was one of the things you were interested in in the comimttee.

Mr. AVERY. That is right.

Mr. STAGGERS. I tried to help the gentleman on that, and it will be taken care of in this bill. Another objection was raised, and I would like to have any objections you gentlemen have to the bill so that we can think about them a little bit—about the ability to borrow which will be included also in H.R. 1012 out of the railroad retirement fund, in emergencies, for purposes of the unemployment and sickness insurance fund.

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

Mr. STAGGERS. I yield.

Mr. AVERY. Well, it would sound to me as if the gentleman was getting around to the point where he believes the bill, H.R. 5610, is a pretty good bill.

Mr. STAGGERS. With the exception of four of the most vicious things against the working people of the country that I have seen in a long time.

Mr. AVERY. Can we conclude that if the gentleman had a little more time to study the bill, H.R. 5610, he might be in favor of it in its entirety?

Mr. STAGGERS. No; but I believe if the gentleman from Kansas will pay attention for about 10 minutes, he will change his opinion a little bit about H.R. 5610.

Mr. AVERY. I assure the gentleman that I will pay attention.

Mr. STAGGERS. I am sure you will.

Mr. Chairman, I would like to have the Members of the Congress know this, that the railroad workers are treated differently from any other worker in America since and even before the passage of the Railway Labor Act in 1926. I am sorry that more members of the committee are not here, but I do see some who are present that I wanted to hear this because I have been a member of the committee for 9 years, and many things were said in the committee during the consideration of this bill which at that time I took at their face value, and now I wish to explain to the committee that those were just not the true facts—not that anybody, of course, tried to misrepresent the facts, but people just believed a certain way.

I believe that some of the members of the committee will vote differently when we vote on this bill.

I was explaining that the railroad worker is different from other workers in American industry. The railroad industry is a vital public utility, it is essential to the economic welfare of America, and it is essential to the defense of America in time of war. That has been proved in the past. That was one of the reasons the Railway Labor Act was passed in 1926. That act affected drastically the rights of railway workers to bargain and to strike. The Congress was later asked to legislate on railroad retirement and unemployment insurance matters, and it did legislate in these fields for the railroad worker. Since then they must come to the Congress to tell their story.

The substitute, H.R. 1012, is essentially the same as H.R. 4353 that was voted out of the committee last year and that passed the Senate. Someone said on the floor that the railroad industry could not stand the cost of the increased unemployment benefits. If you will follow the figure in the Senate last year, the committee reported a bill out, S. 1313, that carried twice the unemployment benefits that the Senate actually passed. This bill was approved by a substantial majority of the committee after 4 months of hearings. But because they wanted to get a bill passed, the chairman of the subcommittee came to the House during the Senate debate and talked to the chairman of the committee on this side, and they reached an agreement on the bill that they thought could be passed. They cut the extended unemployment benefits in half, because they tried to get the bill through in the closing days. The Senator in charge of the bill over there stated that such an agreement had been reached.

As has been explained by the chairman, the parliamentary procedure prevented that bill from being brought to the floor for passage.

When the President signed the bill to give increased retirement benefits to railroad workers in 1956 without financing provisions, he requested that legislation be enacted to make up this difference. There is no difference in the benefits or cost of the retirement provisions of H.R. 5610 and H.R. 1012, with the exception of the effective date. This will be taken care of by the substitute bill so that there can be no objection in that regard.

Now we come to the parts of the bill that are in disagreement. That disagreement is on the unemployment and insurance provisions. The chairman told you that in the last 10 years approximately 600,000 railroad workers had been furloughed. I think that figure is a little excessive, but we will take that figure. Now the contention is that by expanding the benefits more men are going to be furloughed and we will drain this fund. I say the workers are furloughed down to the hard core; men who have been in the railroad industry. Before a railroad can hire a new man, according to the prevailing seniority systems, on railroads, they must first rehire their unemployed workers.

One thing that has never been explained about the bill: When a railroad worker was hired by a railroad he was led to believe that part of the pay package would be the unemployment insurance which he would receive if he was

laid off. That has been in the act since 1938. That was part of his pay that he expected to get all through the years.

Here we come now and say, "We are going to cut your pay. Not only that, but you who are employed are going to be taxed to pay for the increased retirement benefits to men who are retired."

Is that fair to the workers of today? Of course not.

Another thing which has not been explained is the way the "benefit" year and the "base" year work. The base year is the calendar year, January to December. And the benefit year in which he can draw benefits deriving from his base year earnings—and these must be at best $400 for the base year under present laws. He must wait 6 months to be eligible for benefits based on the base year and then only if he has worked for the required minimum earnings. He cannot draw his benefits immediately that first year unless he has a previous base year with qualifying earnings. It has been said in committee that a great many men went to work for 2 or 3 months during the summer, then drew unemployment benefits. That is not so, for they could not get their benefits until July in the year following unless they had an earlier qualifying base year.

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

Mr. STAGGERS. I yield.

Mr. HARRIS. The gentleman has presented a very interesting point that the membership of the House should in my opinion understand.

Mr. STAGGERS. I think it is very important.

Mr. HARRIS. That is the question of the base year which entitles an employee to benefits; then there is your benefit year. Is it not true that if a man is entitled to unemployment insurance during the base year, which might be the year before, and if it is, then he is entitled to benefits at that time in that benefit year.

Mr. STAGGERS. If he has built that up over the past preceding years. I am going on to explain that. It has not been explained before.

Mr. HARRIS. If the gentleman will permit me to continue I will yield him additional time.

Mr. STAGGERS. I thank the gentleman. I yield.

Mr. HARRIS. As a matter of fact, talking about these seasonal employees, that is a matter that has caused a lot of concern in this industry. During certain times of the year it is necessary to have additional employees for certain purposes such as for maintenance of rights-of-way, and so forth. If unemployment occurs, for example, in the year 1957, then beginning in July of 1957 he would be entitled to his unemployment benefit based upon the base year of 1957 and for the earlier part of the year 1957 his benefits would be based on the calendar year 1956. Is that not true?

Mr. STAGGERS. That is true.

Mr. HARRIS. Then after July 1 of 1959 he would be entitled to the benefits that he would get from the previous calendar base year of 1958. Now, that is true; is it not?

Mr. STAGGERS. I was going to go ahead and explain it because it has not been brought out. The railroad workers have been led to believe over the years that unemployment benefits and sickness insurance were part of their pay. The employee certainly does not expect the company to come along later and say it is going to cut down his pay a little. These benefits are what the employees expect as part of their pay; they have worked for it the year preceding; it has built up a "benefit year." It is not right to come along now and say, "We are going to cut you out of part of your pay." I do not see how you can explain that to the railroad workers in this day and age. They have had these unemployment benefits for 20 years and sickness insurance for some 12 years as part of their pay, the benefit of partial compensation during periods of unemployment and sickness. Are we, through this act, going to take away from the railroad workers what has been rightfully theirs?

Cost has been talked about quite a little, that the costs of the amended bill will be $45 million. Let me tell you that even including the additional extended benefits we are talking about, the bill, as we would amend it, will cost no more than about $14 million more for unemployment and sickness than H.R. 5610. Certainly the Congress of the United States should act intelligently on this matter.

Then there are some questions of maternity benefits, as well as the matter of firing for cause and voluntary quits. The women railroad workers of this country were hired under certain definite understandings of what they could expect should they get married, or if they were already married and a child should come along. They were to get retirement, unemployment, sickness, and maternity benefits in accordance with existing law, and the railroads knew it. These women have coming to them for periods of maternity leave the 130 days of sickness that every other railroad worker in America has today. Most of the women who are now employed are older women.

Referring back to the extended benefit periods and these seasonal workers who are hired and have no seniority, I point out that the railroads cannot hire these workers until after they take back the people who are on furlough. We are now getting down to the hard core of workers, men and women who have reached the age of 40 and 45 years, with families. They are highly specialized people. They cannot get jobs elsewhere. We have 5 million unemployed in America today. All we are trying to do is to take care of the older ones just a little bit.

We agree it is going to cost a little bit more, but do you know that that additional cost goes into the operating expenses of the railroads and they deduct these costs for income tax purposes. They pay an income tax only on net income. The cost of the unemployment insurance program is, as I say, deducted as a business expense.

I want to be fair to the railroads. Any time any legislation has come up here to benefit the railroads I have voted for it. There is not a representative of any of the railroads can say differently. I was for the Transportation Act. I talked for it, I argued for it, and I spoke to one or two railroad presidents and asked them what I could do.

Mr. BAILEY. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred ninteen Members are present, a quorum.

Mr. STAGGERS. Mr. Chairman, in connection with maternity benefits I only want to say one additional thing and I shall close. Most of the women who are employed in the industry today are older women who were hired with the full knowledge of those who employed these women that they were under this act. Now, then, there are those who want to come back and renege upon the understanding had with these women and to say that the contract is void and that Congress should do something about it. They are not younger women who are being employed. They are the older ones, the same as the men who are in the industry.

I do not think we can afford to do what is proposed here. For the bill does not allow to those women who are pregnant the benefits they were led to expect and which should be theirs under the law. There is not any more compensation.

We come, now, to the voluntary quits. Here are men and here are women who built up, they thought, rights in an unemployment insurance fund and been led to believe through the years to expect to receive a benefit from it. It may be that some quit to take a better job someplace else, and they are told: "Well, you quit; you went over there to take another job." And, probably they did. For the time they work, of course, they are not eligible. But then they are laid off from that new work; maybe they are fired. Under the present law they have every right to believe that they can come back to obtain their share of the unemployment fund that has already been paid for them. The money is already there. And yet under H.R. 5610 they cannot come along now and collect. There are a lot of people who cannot work because of sickness, and when the time comes that they are ready to return, they say "You were not here; you just voluntarily quit, and you are not entitled to sickness compensation." Now, I only want to be honest about this thing and not say anything that is wrong. I have always said that as far as freedom of speech is concerned, any man ought to be able to make a statement that he can defend. Many men make statements that they cannot defend, but I will defend each one I make.

Now, on this proposal to disqualify a worker for unemployment benefits because of a firing for cause. Let me give you a personal example. I worked for the railroad one time. I was a brakeman on the Mountain Division of the B. & O. Railroad, a fine, high type of railroad. I have no quarrel with them. One evening, on a dark and dreary, rainy evening, I was the middle brake-

man. There was an emergency stop. The flagman had to go back a little further than usual in order to protect the train. What the emergency was I do not remember. And, there was a 17-mile grade. And, the engineer blew the whistle and started the train, and I could see the rear flagman running with his lantern in the distance, in the fog and the rain, and he ran as hard as he could to catch up. He kept falling further away. I decided I would get that flagman on. I pulled the air on the air brakes. The conductor had gone to the head of the train to talk to the engineer when it happened. Of course, my action stopped the train. The conductor then came back and told me, "For doing that, I am going to have you fired." And, do you know, I did not ride on the caboose the rest of the time; I rode on the engine. When I got back to my home base he had an investigator come to my home to talk to my mother and dad and did everything he could to show that maybe I was not of age, although the company knew when they hired me that I was not of age.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. STAGGERS. At the caprice of one conductor I could have been fired. But, I was not fired because after that summer I had enough sense to know that I should get on to school and do something else; that railroading was not for me. That is just an incident. I could, however, have been blacklisted from that time on by that railroad and most other railroads if I had been fired because they thought I had done something wrong. I was only doing what was human; here was a man left out 10 miles from civilization, almost, in between the mountains, and I got him aboard. It did not hurt the train a bit. But it hurt the conductor. He said it almost threw him into the firebox. Now, that is an example of a possible firing for cause at the caprice of anybody who does not like you. Maybe you do not walk right or you do not wear the right clothes and they fire you for cause. Of course you have the right of appeal. But that appeal will take some time, maybe 2 years or more. Meanwhile here is a family with five or six children with nothing to eat, and the unemployed worker is trying to fight his case in court. What about his family? Here is a fund that, in effect, he has paid into, although not directly, that he has a right to expect benefits from, and his family has nothing to eat. We would take that right away from him by this bill, H.R. 5610. It is not fair, and I believe you will agree with me that it is not fair.

Mr. AVERY. Mr. Chairman, will the gentleman yield at that point?

Mr. STAGGERS. Yes, I yield.

Mr. AVERY. I recognize the gentleman's sincere interest in the welfare of the railroad employees.

Mr. STAGGERS. Not only the railroad employees, but the railroads and the people of this country.

Mr. AVERY. Yes; of course, it is a public interest.

Mr. STAGGERS. Certainly, it is; it is yours and mine, too.

Mr. AVERY. Of course. Now with respect to the statement the gentleman has made on several occasions, that when a railroad worker goes to work for a railroad, they assure him that his unemployment compensation will be part of his pay——

Mr. STAGGERS. I did not say that. He knows that is part of it. That is the law of the United States. Both understand the law; they do not have to tell him that.

Mr. AVERY. If the gentleman will permit me to ask the question, the gentleman stated on two other occasions this: That the Railroad Unemployment Insurance Fund was part of his money, had been taken out of his pay.

Mr. STAGGERS. I did not say that; I beg the gentleman's pardon. The railroads pay it. They pay it into the fund. I would not have anyone think that I said that any railroad worker pays it directly. The gentleman either was not listening attentively or, if I did say it, I am sorry. If the gentleman will permit me to continue, maybe I can clear that up.

Mr. AVERY. The gentleman has the floor.

Mr. STAGGERS. And then, I shall be glad to yield to the gentleman, if he has any other question.

The only thing the railroad worker pays into directly is the retirement fund. He pays into that equally with the railroad. But the other is paid by the railroad. That is part of the law of the United States. The money is paid into that fund. The money is put into the fund for them, as part of their insurance; unemployment insurance it is called.

Does that answer the question? I want to make that clear. They do not pay it, but the railroad is assessed, when the man works. The railroad says, "We will deposit that into the fund." That is what they do, do they not? They do not wait for years afterward to pay it into the fund.

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

Mr. STAGGERS. I yield.

Mr. AVERY. This gets to be rather a technical matter. We are directing our remarks to the unemployment insurance fund, is that right?

Mr. STAGGERS. Yes.

Mr. AVERY. The gentleman is aware, I am sure, that there is also a sliding scale. It depends upon what the balance is on September 30 of each year.

Mr. STAGGERS. If the gentleman will let me explain that, I would like to do so.

Mr. AVERY. I think that might clear the matter up.

Mr. STAGGERS. I can explain that. When the balance goes up the tax rate goes down. Did the gentleman know that they declared a moratorium on this fund, I think it was about 1948, and they did not pay more than at the one-half percent rate until about 1955? There was almost $1 billion in the fund and then we let it go down to a certain point before we started paying again.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield for a correction?

Mr. STAGGERS. I yield.

Mr. YOUNGER. Those figures were some $950 million, in round figures, and last year it dropped to $85 million.

Mr. STAGGERS. The railroads had not been paying in at the full rate for a number of years. Now they have found that they have to pay more.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 3 additional minutes, and I would like to ask the gentleman if he will yield for a clarification.

Mr. STAGGERS. Mr. Chairman, I am glad to yield to the Chairman.

Mr. HARRIS. I think this should be well understood.

Mr. STAGGERS. The gentleman knows that I do not want to leave any wrong impression.

Mr. HARRIS. I know the gentleman does not want to do that, and I do not, either.

Mr. STAGGERS. I know the gentleman does not.

Mr. HARRIS. The gentleman was discussing the provision of this bill which says that anyone who is discharged for his own misconduct would not be eligible. Some might get the idea from the discussion today that this bill would make anyone who was discharged for cause ineligible. The committee very meticulously, very carefully distinguished the difference between misconduct and discharge for cause. I am sure the gentleman will agree with reference to the incident that he related a few moments ago, that that discharge would have been for cause, and would not have been prohibited by this bill.

Mr. STAGGERS. I will agree with the gentleman. But who is going to tell him that it is for cause? The men who do the firing. And then it has to go to an appeal. We know what are the whims of men, of human beings. You have to have a rock bed when you are traveling, you have to know what you are doing.

I should like to explain one thing further, and that is this 90 days restriction in H.R. 5610 on sickness benefits, that after a man has been away from his railroad employment for 90 days not counting time for which he is eligible for unemployment and sickness benefits, and then gets sick, he cannot draw sickness pay. Yet I say that is part and parcel of his pay, that when he went to work for the railroad, he began to build up in his working years—the base years—eligibility for sickness pay if he got sick.

The other day, I think it was the bill H.R. 4601, you put back on the retirement rolls, the annuity rolls, hundreds of men in America who had committed acts against this Government and other wrongdoing. You put them back on the rolls and said, "We are going to give you your benefits." You did it almost unanimously, 367 to 9. Are you today going to say to the railroad worker who has been fired, ostensibly for cause, by some man who perhaps does not like him, "We

are going to take away your benefits"? I do not think you are, because the working men of the Nation are just as good as white collar workers you gave back benefits to. He should get the same just dues. Under the "Hiss Act" you took away from these other men these benefits, yet the other day you said you had made a mistake, even though they had done some of the worst things on earth. You let them come back. I am certain you do not want to discriminate just because a man is a railroad worker.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RODINO. Mr. Chairman, I rise in support of the original Harris bill, H.R. 1012. As Members of the House know, a strong effort will be made by a group of members on the Interstate Commerce Committee to substitute this bill for H.R. 5610.

The bill as reported by the committee contains many inequities and would do great damage to the Railroad Retirement and Railroad Unemployment Insurance Systems. I believe strongly that we must not permit retrenchment in the area of retirement legislation. We must continue to improve our programs as our economy expands.

In the years that I have served in Congress I have been proud to support the legitimate efforts of the railroad brotherhoods to make their retirement and unemployment systems more effective. The original Harris bill, H.R. 1012, does exactly that. I believe that a majority of the House will agree with me when I say that we must not enact legislation here today that will take away from railroad employees benefits that they have enjoyed for many years. It is for this reason that I intend to support a move to substitute H.R. 1012 for the committee bill.

Mr. Chairman, our country has become the great Nation it is, respected throughout the world, because it was founded, and has continued to act, on the basic principle that human values come first. We believe in action for the benefit of people, individual human beings, and we believe that the good of the people is superior to that of any special interest.

The choice which now confronts the House between H.R. 5610, the bill reported out by a majority of the committee, and H.R. 1012, the original compromise measure, is, as I see it, a choice between human, social values as represented by the Harris-Bennett bill, and retrogressive, special interest legislation proposed by H.R. 5610. H.R. 1012 proposes to help our needy aged and retired and unemployed and sick railroad workers and members of their families. H.R. 5610, on the other hand, would take away from these people benefits which they have been entitled to since the beginning of the railroad retirement and railroad unemployment insurance system. H.R. 5610 would take this action, moreover, at a time when unemployed railroad workers are desperately in need of help—not repressive legislation.

Many of you may have been persuaded by the railroads that they are in a poor financial state and that the provisions in H.R. 5610 are therefore necessary. I say without hesitation that this is certainly not the case. In the first place, there is no basic difference in the rates which would be imposed by H.R. 1012 and H.R. 5610. Whatever benefits the railroads would derive from the latter would come solely through the money they would save by denial of unemployment insurance payments to workers who would be denied such benefits because of H.R. 5610's new and stringent limitations up such benefits.

But the railroads now are enjoying a period of net income near their peak earnings. Railroad workers on the other hand are confronted with the worst unemployment crisis their industry has ever seen. The railroads, on the other hand, last year were given substantial help by this Congress. The benefits from this legislation to aid the railroads will continue throughout the years ahead. Railroad employees, however, got no help from Congress last year, although 300,000 of them became unemployed and over 70,000 exhausted all railroad unemployment insurance benefits. The need, at the present time, is for help to the railroad workers.

H.R. 1012 has already been greatly compromised from the original railroad retirement and railroad unemployment insurance legislation which was introduced to meet the problem of higher living costs and record railroad unemployment. I am certain that, in shaping H.R. 1012 to its present form, the fact that the railroads were suffering from a recession last year when this legislation was being drafted resulted in severe cutbacks in the original proposals. The railroads have now recovered from the recession, but their workers are still suffering drastic unemployment. In such circumstances, I remind you of the great tradition of this country that human values must come first. I am confident that, if the Members of this body remember that principle they will be true to it. You will show that the House of Representatives is concerned about the welfare of railroad workers, as human beings, by voting to substitute H.R. 1012 for H.R. 5610. Do not, I beg you, cut the very heart out of these workers who have served the Nation so well by imposing upon them new restrictions upon unemployment insurance at a time when they need the benefits they have earned so desperately.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, few major bills, I daresay 1 out of 50, ever gets through committee without amendments. Regardless of how vocal or how adamant the supporters of any bill might become, and regardless of the pressures that are brought to bear either by the proponents or the opponents of any bill, the members of every legislative committee must maintain their right to exercise their best individual and collective judgment on any legislation it reports to this House. Those who feel there is no room for compromise within these legislative deliberations, those who arbitrarily say, "We are 100 percent right, and we want everything we ask, nothing less," I think are taking an approach that is inclined to be a little destructive of the best interests of the normal legislative process. I submit that this would be the case whether it would be management, labor, or any other group.

The bill before this House today represents many hours of hard work, careful study, and, I am sure, unbiased deliberation on the part of the Committee on Interstate and Foreign Commerce. Let us remember that the amendments adopted in the committee were bipartisan in their nature.

After the majority of the members of this committee, both Republican and Democratic, exercised their best judgment, the committee was accused in a press release and in congressional communications by the railroad labor organizations of callous disregard for the plight of the railroad worker.

Whether or not this charge was in poor taste is of secondary concern, but I do believe it is an affront to the majority of the members of this committee who worked diligently on this bill.

H.R. 5610, the bill we have before us today, provides for a 10 percent increase in the railroad retirement and survivors' benefits.

H.R. 5610 provides for an average increase of 20 percent in the daily benefit rates for unemployment and sickness.

H.R. 5610 provides for a maximum tax rate of 3½ percent of payroll up to $400 per month for each employee to finance the unemployment and sickness insurance benefit program, which is one-half of 1 percent more than is required under present law.

The tax is paid only by the railroad industry.

If the substitute bill, H.R. 1012, had passed in its original form, as was pointed out previously, it would have been necessary to increase the payroll tax for unemployment insurance and sickness benefits to 4 percent.

In view of these basic provisions in the bill, passed by the committee, can anyone here honestly conclude that it represents a callous disregard of the plight of the railroad workers? Granted, it may not have everything requested in the original bill, but I repeat, it certainly does not represent any callous disregard on the part of any member of the committee. I, and every other member of the committee, are vitally interested in the welfare and well-being of the railroad workers and, particularly, the pensioners across the country. The fact of the matter is that Congress has a responsibility in dealing with the future soundness of the railroad employees and retirees' fund. Congress is also charged with the responsibility of making certain that the railroad retirees of today and tomorrow are given some reasonable guarantee that funds will be

available to meet their anticipated needs. To ignore these basic responsibilities or succumb to demands for sheer expediency would not be prudent nor right, in my opinion. Certainly, we cannot be oblivious to the financial conditions of the railroad industry at the present time nor to the trend that stares the future of the industry squarely in the face. The history of the railroad industry in the past few years is certainly evidence of that. To ignore the fiscal condition of many railroads today is in the long run a reflection of disregard for the railroad workers too.

There are several railroads in the country today that we all know are operating in the red. Is there anyone here who can give me, or any other Member of this Congress, the assurance that these conditions are going to improve in the years ahead?

I would like to tell you a little story of a bus line in my district because I think it is pertinent, and I think certainly if for no other reason, regardless of whether you agree or disagree with the stand I take on this legislation, it is something that we ought to think about. In my district there has been a bus line in operation as a commuter service, for many, many years. For the past several years, it has been operating in the red. They had, and I think in good conscience, attempted to meet the demands of the workers of the bus line, the drivers and the repairmen and so on. But be that as it may, the fiscal condition did not improve. This year, additional demands were made upon the firm. I do not say that the demands may not have been in order, but the fact remains that you cannot get 3 pounds of rice out of a 2-pound bag. So—what happened to the bus line? It folded up lock, stock and barrel. It is no longer in business. There are some 200 bus drivers out of work. I simply present that because I think we may well be faced with the same situation in the railroad industry. Again, I say, no one can offer any guarantee as to whether or not this trend in the railroad industry is going to continue as it has in recent years. I again say we must be certainly conscious of this fact, and we must be aware of these things if we are to look after the best interests of the workers and particularly the pensioners in the years ahead. In conclusion, I submit that this bill is a compromise. It may not be everything we would like it to be, but I do think it is rational and I do think this is a sensible approach to the problem. Certainly, it is not a step backward. I think today we ought to pass the bill which the committee adopted and reported to the House. I think it is a sensible thing. It is certainly not a step backward but instead a step in the right direction.

Mr. Chairman, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, I am somewhat confused as to why we are having this big argument this afternoon. For some 3 years the Committee on Interstate and Foreign Commerce has been working on this particular railroad retirement and unemployment insurance legislation. During the last Congress our committee reported a bill H.R. 4353 which I believe is identical with H.R. 1012, which was introduced this year, with the exception that H.R. 4353 provided for a 7-percent increase in retirement and survivor benefits instead of a 10-percent increase in such benefits which H.R. 1012 provides. This bill was approved in its entirety last year by our committee. It came out in the closing days of the session and did not have an opportunity to be passed by the House.

During the last Congress the other body reported out a bill almost identical with the bill introduced this year. It was passed by that body and sent to this House in the closing days of the last Congress. I took that to mean that the committee and the Congress last year wholeheartedly approved the provisions, certainly our committee approved of the provisions, of this legislation. So, at the beginning of this year I joined with my distinguished chairman [Mr. HARRIS] and other Members of Congress in reintroducing H.R. 1012. I think it contains all of the results of the activities of the past 3 years. It represents a compromise and a fair bill, and I think it should be considered and adopted. That is the reason I am supporting the bill today and supporting any move to substitute H.R. 1012 for H.R. 5610.

I introduced H.R. 3736 an identical bill to H.R. 1012, and I was joined by several colleagues who felt this was the right approach to this problem. I would like to take the time to read the names of the Members who introduced substantially identical bills this year: Mr. BENNETT of Michigan, Mr. VAN ZANDT of Pennsylvania, Mr. PORTER of Oregon, Mr. ZELENKO of New York, Mr. GEORGE P. MILLER of California, Mr. RHODES of Pennsylvania, Mr. LOSER of Tennessee, Mr. O'NEILL of Massachusetts, Mr. FRIEDEL of Maryland, Mr. STAGGERS of West Virginia, Mr. BAILEY of West Virginia, Mr. FOLEY of Maryland, Mr. MCDOWELL of Delaware, Mr. VAN PELT of Wisconsin, Mr. FLYNN of Wisconsin, Mr. BROYHILL of Virginia, Mr. TOLLEFSON of Washington, Mr. JOHNSON of California, Mr. BLATNIK of Minnesota, Mr. MACDONALD of Massachusetts, Mr. REES of Kansas, Mr. CLARK of Pennsylvania, Mr. PERKINS of Kentucky, Mr. MCGOVERN of South Dakota, Mr. BARING of Nevada, Mr. FLOOD of Pennsylvania, Mr. MOORE of West Virginia, and Mr. TELLER of New York.

I think that indicates that there was substantial support for this legislation when it was introduced this year. As I said before, I joined with the chairman in the introduction of this legislation, and I believe the chairman fully supported the bill at the time it was introduced. I understand his position probably has been influenced somewhat by the fact that a majority of the members of our committee amended this bill and reported out H.R. 5610.

I would like to take the time today to let the membership know what we are trying to do for the railroad workers of America. Therefore, I want to quickly review what is included in H.R. 1012, which I believe will be introduced as a substitute under the 5-minute rule this afternoon. If it is, I think it should be supported and adopted in lieu of H.R. 5610.

Mr. Chairman, H.R. 1012 would amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. This bill would provide for a 10-percent increase in retirement and survivor annuities. It provides that women and spouses could elect to retire at age 62 at a reduced annuity. It also provides that disabled annuitants would earn up to $1200 a year instead of $100 a month under present law. It would increase the creditable compensation from $350 to $400 a month.

The Railroad Retirement Tax Act would be amended as follows:

Effective on January 1, 1959, the maximum taxable base would be increased from $350 to $400 a month per employee. Beginning with January 1, 1959, and continuing through December 31, 1961, the employer and employee tax rate would be increased from the present 6¼ percent to 6¾ percent each. Beginning with January 1, 1962, the employer and employee tax rate would be increased again to 7¼ percent each. In addition, the employer and employee tax rate is scheduled to increase again after 1964 by a number of percentage points equal at any given time to the number of percentage points by which the rate of tax under the Federal Insurance Contributions Act—for social security purposes—at that time exceeds the rate provided by paragraph (2) of section 3101 of the Federal Insurance Contributions Act as amended by the Social Security Amendments of 1956—such rate being 2¾ percent.

The increase in the tax base and contribution rates proposed by the amendments to the Railroad Retirement Tax Act, I am happy to state, will produce sufficient revenue for the retirement system to pay for the 10-percent increase in benefits proposed by this bill, and to virtually remove the actuarial deficiency which now exists, thereby placing the railroad retirement system in a sound financial condition.

H.R. 1012 would amend the Railroad Unemployment Insurance Act to provide that unemployment benefits be paid for days of unemployment in excess of 4 days in the first registration period in a benefit year. Under the present law these benefits are not payable during the first registration period within any benefit year for days of unemployment in excess of 7. This bill provides for a new schedule of increased daily benefit rates ranging from a minimum daily rate of $4.50 to a maximum daily benefit rate of $10.20. The minimum daily rate payable would not be less than 60 percent of the daily rate of compensation for the employee's last employment in which he was engaged for an employer during the base or calendar year, providing this does not exceed the maximum amount of $10.20 per day.

Extended unemployment benefit periods beyond the 130 days allowed by present law would be provided as follows:

First. An employee with less than 10 years of service who has after June 30, 1957 exhausted his rights to unemployment benefits under present law would receive additional temporary unemployment benefits for days of unemployment not exceeding 65 days which occur in registration periods beginning on or after June 19, 1958 and before April 1, 1959.

Second. An employee with 10 but less than 15 years of service, upon exhaustion of his rights to normal unemployment benefits under present law in a given benefit year would be entitled to an additional 65 days of unemployment benefits in an extended period of 13 weeks on a permanent basis.

Third. An employee with 15 or more years of service, upon exhaustion of his rights to unemployment benefits under present law in a given year would be entitled to an additional 130 days of unemployment benefits an extended period of 26 weeks on a permanent basis.

This bill would provide that Sundays and holidays could be compensable days of unemployment whether or not Sundays and holidays are preceded and succeeded by a day of unemployment.

To finance these increases in unemployment and sickness benefits the tax base would be increased from $350 to $400 a month and the tax rate would be changed from a minimum of 1½ percent to a maximum of 3½ percent depending on the balance of the Railroad Unemployment Insurance Account.

Mr. Chairman, this bill, H.R. 1012, which, as I said, will be offered as a substitute this afternoon is being supported by all 11 Members who signed the minority report, and it is being supported by a substantial number of Members who are familiar with the problems of unemployment in the railroad industry.

The unemployment features of this bill are, in fact, identical with the bill approved by the Interstate and Foreign Commerce Committee last year, and they are identical with the features of the bill which was approved by the other body during the last Congress.

Mr. Chairman, I wanted to present the features of H.R. 1012 because I am proud of that bill and I am proud to have associated my name in the introduction of this legislation. I believe it is the right kind of bill to be passed here this afternoon. It is not a discriminatory type of bill. I believe that there are certain features in H.R. 5610 that are unworkable and that would merely sabotage the operation of the unemployment compensation features of this program.

The objectionable points that would cause this difficulty have been mentioned. I know they will all be covered. There is one point on voluntary quits that I would like to mention.

If I am working for a railroad and I have an argument with my boss and he says, "You are fired," and I say, "You can't fire me; I quit," then under H.R. 5610 I would deprive my family of any unemployment compensation. That just should not be.

There is another sleeper in this bill that you want to be concerned about and that you should look into. That is to be found on page 18 of H.R. 5610. You should read this section with considerable caution. You also want to look into the report to see how they tried to explain that section.

Mr. BENNETT of Michigan. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MACK of Illinois. Mr. Chairman, if you will look at the report which covers this particular section, page 41, you will see that they do not quite explain the provision concerning the 90-day limitation on eligibility for claiming sickness benefits. Here is how that will affect workers in the railroad industry.

This portion of the bill would eliminate any person who tries to do a good job, who tries to comply with the requirements of the Railroad Unemployment Insurance Act by seeking a position in other industries. As you know, they are required to seek employment when they are laid off by the industry before drawing unemployment compensation. If they go ahead and take a job in some other industry, only temporarily, they are penalized. Many employees of a railroad may be laid off, even senior men may be laid off, for extended periods of time in the winter months and during the bad weather seasons. If they are laid off for 3 months and they take a job in another industry and keep that job for 90 days they deny themselves sickness benefits.

What that provision means, in practical effect, is that a railroad employee, of no matter how many years of service, who is displaced permanently from railroad employment will lose all rights to sickness benefits if he works a temporary outside job for 90 days.

The supposed justification for this provision is that the railroad industry should not continue to be responsible for wage losses due to illness of people who have left the industry. But this theory does not fit the facts. We know that today, and for several years past, employees with long years of service are being laid off. If they want to protect their seniority rights they must be available for any railroad work to which they might be recalled. At the same time, they must take any temporary suitable work in other employment that is available to them—otherwise they would be disqualified for unemployment insurance benefits. Now H.R. 5610 would say to them that if they work such a temporary job for 90 days, all rights they have earned by way of protection against loss of wages when sick or injured are gone.

Such a proposal cannot be defended. This is another example of long established benefits destroyed by H.R. 5610.

I say this is only one instance in this bill where you have a sleeper which will sabotage the operation of this whole program. Therefore, I appeal to you to vote for the bill that was considered during the past year, a bill that is supported and sponsored by the railway employees themselves. I hope you will support the move to substitute the bill H.R. 1012 this afternoon for the present bill.

Mr. BENNETT of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. BROYHILL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BROYHILL. Mr. Chairman, I rise in support of the need for equitable railroad retirement and unemployment legislation which would be accomplished by the enactment of H.R. 1012 and wish to speak in protest against the grievous wrong this Congress would be committing if it agrees unquestioningly to passage of H.R. 5610, as recently reported by the Committee on Interstate and Foreign Commerce.

This bill, though ostensibly generous in nature, in fact takes us back rather than forward in our attempts to solve the problems which now exist under our railroad retirement and railroad unemployment insurance laws. It represents an unreasonable violation of the rights and needs of a group of our most important citizens.

When Congress passed the Railroad Retirement Act of 1937, now an act of more than 20 years' standing, it assumed responsibility for maintaining an adequate and equitable railroad workers' benefits system. This responsibility is not one we can afford to ignore. Thousands of people—railroad workers and their families—can suffer, or prosper, according to our action.

These people have had reason to believe that we would not let them suffer, that we were alert to their problems and would act to alleviate them. There is little question that appropriate legislation would have passed the 85th Congress if it had not been lost in the scramble for adjournment.

A bill relating to railroad retirement and unemployment insurance was introduced to the 86th Congress at the beginning of the session. This was H.R. 1012 and similar bills, one of which I introduced, which included substantially the same provisions as a bill which passed the Senate last year. It was referred to the Committee on Interstate and Foreign Commerce, and extensive hearings were held on it this spring. I had the privilege of testifying at that time on my bill and H.R. 1012.

The next stage in the history of the bill is well known to all of us. It was relentlessly cut back by amendments adopted by the committee, and has emerged, virtually unrecognizable, as H.R. 5610.

I am happy to say that a large minority of the committee agrees with me that this reported bill is unacceptable, and that it is necessary for us to support instead the passage of H.R. 1012, as originally introduced to the House. Badly as we need legislation in the field of railroad retirement and unemployment insurance, we cannot be swayed by accepting the expediency of passing a badly conceived bill, which is what I consider the reported bill to be.

Both bills contain highly important provisions for 10-percent increases in railroad retirement benefits, and for increasing the tax rate and the tax base for financing these benefits. Both also include provisions for bringing the present railroad legislation into line with recent liberalizations and improvements in the social security system, such as making it possible for women employees of long standing to retire at age 62 with appropriately reduced benefits. Both bills also authorize increases in the daily unemployment and sickness benefit rates, which take into consideration the increased cost of living in recent years.

All of these provisions are desirable and fair. But aside from these similarities, there are critical differences in the bills. As the result of omissions and additions, the character of the reported bill is very different from that of H.R. 1012 as originally presented. Consider, for example, the omission of one vital provision which would extend the duration of unemployment benefits for long-term employees. Under H.R. 1012, railroad workers who had more than 15 years' service would be granted an additional 130 days of unemployment benefits. Workers with more than 10 years of service, but less than 15, would receive an additional 65 days. The bill would thus help to solve one of the major problems in the railroad unemployment insurance program. It would recognize that technological changes are constantly and permanently displacing veteran employees whose opportunities for other employment are severely limited. The existing insurance benefits of 26 weeks are totally insufficient to care for the needs of these workers or to compensate them for years of dedicated service. There can be no doubt that a person who has spent 10, 15, or more years in railroad employment does not remain unemployed through any fault of his own, but through factors peculiar to the railway industry which he cannot control. Under these circumstances, I believe the omission of these proposals in the reported bill is wholly unjustified.

I take issue, too, with the provision in H.R. 5610 which would eliminate benefits for persons who have voluntarily left employment or failed to accept what could be arbitrarily called suitable work. The present law already disqualifies these persons for a reasonable but limited period of 30 days. By this law it is recognized that an employee cannot casually stop or refuse work and expect to draw unemployment benefits instead. But it also recognizes that other pertinent factors may be operating which should not be ignored.

An employee, for example, may quit an apparently suitable job with the prospect of getting another better one. The second job may not materialize, and the employee may be unable to find other suitable employment for a considerable period of time. An employee may find himself physically unable to continue in his present job, although he may not technically be considered unfit or disabled. Under the present law, such contingencies as these are recognized and accounted for. Under the reported bill, however, there would be a continuing disqualification for all these people until they managed to find another job and worked at least 20 days for a railroad employer. The financial hardship which they and their families may suffer before this time are blissfully ignored.

I venture to say that injustice will also result from the provision in H.R. 5610 which establishes the same 20-day employment requirement for persons who have been discharged for misconduct relating to their work. On the surface, this, like several other proposals in the bill, appears to be a reasonable safeguard against unfair collection of benefits. The problems it will cause are not readily apparent. But consider for a moment what could, and undoubtedly will happen. If discharged employee applies for benefits, the Railroad Retirement Board will have to determine whether he is entitled to receive them by deciding on the propriety of the discharge. If it refuses to pay benefits on the ground that the discharge was for adequate cause—and it is conceivable that this decision could be wrong—then it has virtually condemned the worker from the standpoint of future employment. Thus the Board's opinion becomes decisive not only on the question of limited benefit rights, but emerges as a judgment on the employee's work prospects for the future. This intrusion of the retirement board into the handling of grievances is undesirable for obvious reasons, and was recognized as such when a provision very similar to the one in the reported bill was removed from the original railroad legislation in 1939, at the request not only of labor, but also of management and the Railroad Retirement Board itself.

There are other equally arbitrary provisions in H.R. 5610, particularly on the question of sickness benefits, which I strongly oppose. The bill would eliminate benefits which have existed for many years, and which are clearly necessary and desirable in terms of providing a responsible benefits system. I oppose the elimination of sickness benefits for persons who have voluntarily left their jobs, for the reasons which I have already given. I oppose the elimination of maternity benefits, an area where considerations of health and welfare should be of foremost importance. In short, I oppose all of the amendments which have been superimposed on H.R. 1012 to change it from an equitable and humane bill into one which would work hardship on our railroad workers throughout the country.

These workers are important to all of us. We cannot separate their welfare from considerations of our industrial well-being or from our national security. When we jeopardize their security, we take a fateful, backward step with endless repercussions. I believe the bill which the committee has reported is this kind of backward step. As such, I cannot support it. We do, however, have great need of progressive legislation to improve our railroad retirement and unemployment insurance systems. I believe that H.R. 1012, as presented to this Congress in its opening days, will fill this need.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I favor the bill H.R. 1012 as it has been amended and which will be offered as a substitute for the committee bill this afternoon. The reason I support it is because it presents a better all around, more equitable, and fair program than the bill which the committee reported to the House. Furthermore, the substitute which will be offered is essentially the same bill that our committee reported practically unanimously toward the end of the last session, with the exception that the bill last year provided a 7 percent increase in retirement benefits, while the bill this year provides for a 10 percent increase in those benefits. Also the substitute is essentially the same as the bill that was reported unanimously by a committee of the other body having charge of this legislation a few days ago. So I think all in all it presents a fair and equitable program and I hope when the substitute is offered at the conclusion of general debate today it will be adopted by the Committee of the Whole. The amendment which will be offered to the bill H.R. 1012 contains the following five changes:

First. Changes in effective dates: (a) The 10 percent increase in retirement and survivor annuities is made effective prospectively, that is, with respect to annuities accruing for months after the month of enactment of this act. The effective date for the 10 percent increase in pensions is changed accordingly; (b) the increase in tax rates for Retirement Act purposes, as well as the increase in the taxable and creditable monthly compensation base, is also made effective prospectively, that is, with respect to compensation paid in months after the month of enactment of this act for services rendered after such month; (c) the increase in lump sum payments is also made effective prospectively, that is, with respect to deaths occurring after the month of enactment of this act.

The effective date with regard to the work restrictions on disability annuitants, and survivor beneficiaries working outside the United States, and the inclusion of social security wages for the purpose of computing survivor benefits, are not changed—effective for calendar years beginning with the calendar year 1959—because they all require computation on an annual basis.

Second. Changes in the maximum contribution rate for unemployment insurance: In view of the testimony in the record of the hearings that the maximum contribution rate provided in H.R. 1012 of 3½ percent would be inadequate to retain the railroad unemployment insurance account on a sound financial basis, the maximum contribution rate in the newly proposed table for unemployment insurance contributions is changed from 3½ to 3¾ percent, but this table, as well as the increase in the monthly taxable base from $350 to $400 a month, is made effective with respect to compensation paid in months after the month of enactment of this act for services rendered after such month.

The provisions for increasing and extending benefits under the Unemployment Insurance Act and the effective dates of such increases and extensions are not changed.

Third. Conferring authority upon the Board to borrow money from the railroad retirement account: In view of the low balance in the railroad unemployment insurance account, as shown in the record of the hearings, my amendment includes a new amendment to the Railroad Unemployment Insurance Act which confers upon the Railroad Retirement Board the authority to borrow from the railroad retirement account for the payment of benefits and refunds under the Railroad Unemployment Insurance Act, on a reimbursable, and 3-percent interest basis.

Fourth. Extending to July 1, 1959, the period for the payment of temporary unemployment insurance benefits: The provision in the bill for the payment of temporary unemployment compensation to employees with less than 10 years of service up to a maximum of 65 days, but not later than April 1, 1959, is extended to July 1, 1959, in order to conform, as nearly as possible, to the provisions in Public Law 86–7 which was approved March 31, 1959, extending the Temporary Unemployment Compensation Act of 1958 to July 1, 1959.

Fifth. A technical amendment with regard to subsidiary remuneration: My amendment includes also a technical amendment to section 1(k) of the Railroad Unemployment Insurance Act. Under present law, if an individual's base year's earnings are insufficient to make him a qualified employee but for the inclusion of subsidiary remuneration, no day on which he earns such subsidiary remuneration is a day of unemployment although otherwise it may be. In view of the proposed increase in the qualifying earnings from $400 to $500 in the base year, section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500".

Mr. WILLIAMS of Mississippi. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. FLYNT].

Mr. HEMPHILL. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN (Mr. FORAND). The Chair will count. [After counting.] One-hundred and seventeen Members are present, a quorum.

Mr. FLYNT. Mr. Chairman, H.R. 5610, a bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act so as to provide increases in benefits, is a bill which is designed to increase benefits to retired railroad employees who are presently receiving retirement benefits under this act; it is a bill to establish tables, scales, and rates to be received by railroad employees presently employed who have earned their rights under the bill and will some day retire under the provisions of this act. In order to do this, of course, it is necessary to increase the provisions of the Railroad Retirement Tax Act to provide the revenues and the funds with which to pay these increased benefits. It makes certain changes in the Railroad Unemployment Insurance Act.

Mr. Chairman, it is well for us to bear in mind and it is well to repeat here that these benefits are paid out of a trust fund; a trust fund, if you please, which has been created over the period of the last 21 and a fraction years during which the railroad employees have paid into it sums amounting to literally billions of dollars in the expectation that this fund would remain solvent and that it would provide the funds and the revenues from which their benefits will be paid, benefits which many of them have earned by as much as 43 to 45 years of continuous employment by the railroads of this country. It would be an easy thing to do; it would, indeed, be the popular thing to do, to double the benefits that are paid to annuitants. It would also be an easy thing to cut the taxes that provide the trust fund from which these benefits are paid half in two. But, Mr. Chairman, if these were done, it would destroy the real benefits which railroad employees have earned over a period of 40 to 45 years.

It would be awfully easy to increase these benefits, to reduce the tax requirements, but at the same time you would break faith with every railroad employee who has ever contributed to this fund in the expectation that the benefits which he or she received upon retirement would provide at least a modicum of that which is necessary to meet increased costs of living.

Mr. Chairman, the real issue in this bill here today is not one of whether we favor the enactment of an increase in railroad retirement benefits. The real issue here is whether it is the purpose of this Committee of the Whole House to preserve inviolate and intact the trust fund which has been created by contributions paid in by railroad employees and by railroad employers alike during the entire period since the Railroad Retirement Act of 1937 was enacted.

Mr. Chairman, I would like to give some figures just to show what is happening to these two trust funds. First, I shall deal with the trust fund which provides for payment of benefits to annuitants, to retired employees, and to surviving spouses of retired railroad employees. The amount that has been paid into the Railroad Retirement Fund since the creation of the fund by the act of 1937 rose at an almost constant rate of between $250 and $400 million a year during a period of time that the number of employees of the railroad stood at a higher level than it does today. Today, Mr. Chairman, instead of being increased by that same figure of between $250 and $400 million a year, it has reached the point where about all that can be done is to try to stabilize it and to keep it from being reduced from one calendar year to the next.

The Unemployment Compensation Fund, which is the other trust fund administered by the Railroad Retirement Board in accordance with the provisions of the Railroad Retirement Laws at one time stood at a figure in excess of $958 million, or nearly $1 billion. On the 1st of February of this year that amount had been depleted from approximately $1 billion to less than $50 million. And according to a projection furnished by the Railroad Retirement Board, there is a strong probability that the entire fund will be depleted prior to June 1 in the absence of the borrowing provision which is contained in the committee bill, H.R. 5610.

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

Mr. FLYNT. I am glad to yield.

Mr. STAGGERS. I would like the committee to know in relation to that point that a reduction was made in the tax in 1949 until 1956, and only one-half of 1 percent was paid into this fund, because it had been so high. They wanted to get it down, or at least they did let it get down to where it is now, and the result is that now it is so very low. And that is because they have only been paying one-half of 1 percent for a period of 7 years.

Mr. FLYNT. That is correct. I will say to the gentleman from West Virginia that I hope it will become high again, because I do not ever want to see the time come when a person drawing benefits from this fund will receive a notice from the Railroad Retirement Fund that the money is gone instead of receiving his regular annuity.

Mr. STAGGERS. Will the gentleman agree that if the tax rate in effect prior to 1949 had been continued, the fund would not be down to where it is now?

Mr. FLYNT. I think that is true. And I want to see to it that it never goes down, and is never depleted to where it is in such a precarious position where it will be necessary for the Railroad Retirement Board to send out a notice that the money is all gone.

Mr. AVERY. Mr. Chairman, will the gentleman from Georgia yield to me?

Mr. FLYNT. I yield to the gentleman from Kansas.

Mr. AVERY. I thought it might be well to point out that we should not leave the impression with the members of the committee that this is a matter of option on the part of the employers as to how much money they pay into this fund. The formula is written into the law. The determination based upon that formula is made by the Railroad Retirement Board on the 1st of September each year as to what the percentage will be for the following employment year.

Mr. FLYNT. According to a formula laid down by an act of Congress.

Mr. AVERY. Passed by the Congress of the United States.

Mr. FLYNT. And that the amount paid into the trust fund, from which these unemployment benefits are paid, is determined by the level of the trust fund on September 1 of a given year.

Mr. Chairman, in the absence of provisions which are contained in the committee bill H.R. 5610 it is not only possible, it is very probable, that the entire trust fund, from which unemployment compensation benefits are paid, will be depleted not later than the month of June in this very calendar year.

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

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, it is the purpose of those of us who constituted the numerical majority of the Committee on Interstate and Foreign Commerce in the consideration of the amendments to the Railroad Retirement Act to give, and the committee bill does give, the same 10 percent increase in railroad retirement benefits which would be provided under the substitute, which originally bore the number H.R. 1012. There is a unanimity of opinion that the only difference in the railroad retirement provisions of this bill now under consideration is the effective date these increased benefits will take place. The substitute, which it is reported will be offered, would provide retroactive benefit payments and retroactive tax payments to January 1, 1959, regardless of the date of final enactment and approval of this measure. The committee bill provides that the increased benefits amounting to exactly the same percentage points and exactly the dollar and cents figure will go into effect only after the bill has been finally enacted into law. The reason for that, and I think it is well to set forth the reason for that thinking and logic and reasoning behind the majority of the committee on this point, is that it would be virtually impossible to go back and impose a retroactive tax on employees and employers alike and to collect the taxes due in many instances from people who are no longer for one reason or another employed in the railroad industry.

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

Mr. FLYNT. I yield to the gentleman from West Virginia.

Mr. STAGGERS. The gentleman from Georgia is debating a point which will not be at issue in the substitute.

Mr. FLYNT. Based on what we were told prior to today, that was the only difference in the section relating to retirement and it was the primary issue.

Mr. STAGGERS. One of the great objections I have heard from most Members of Congress, is this very thing. It will be taken care of in the substitute as now written, that will be offered a little bit later today.

Mr. FLYNT. In reply to a few statements made by the distinguished gentleman from West Virginia when he related an incident which happened to him when he was a very young employee of the Mountain Division of the Baltimore & Ohio Railroad, I want to say, and I think he will agree with me, that under the provisions which are contained in the committee bill, H.R. 5610, under no circumstance could the actions described by him have been classified by anybody as misconduct. It might have been listed as cause. The gentleman will recall very clearly the long and extended debate of the committee on the question of whether this language should read "discharged for cause" or "discharged for misconduct." I think the gentleman will bear me out that there was unanimity that the only reason for disqualification from receiving unemployment compensation under any circumstance of discharge like that was if there should be a discharge for misconduct.

I wish that the word "willful" had been added before the word "misconduct." But, I do believe the solvency and the fiscal soundness of this trust fund, in which all railroad employees have an interest and a right, should be protected against improper invasions and inroads made on it by persons who might be discharged for reasons of drunkenness on the job, or assault and battery on a member of the public or a fellow employee or a supervisor, or for willful destruction or theft of property belonging rightfully to the employer or to a fellow employee.

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

Mr. FLYNT. I yield.

Mr. STAGGERS. Who is going to determine what is willful misconduct or just cause?

Mr. FLYNT. I think the gentleman knows that there are avenues of appeal where almost invariably in cases where there is any doubt on matters of discharge for misconduct, the question is resolved in favor of the employee.

Mr. STAGGERS. Referring to the question of willful misconduct, does the gentleman know how many employees have been fired for misconduct or just cause, and how many have been reinstated after an appeal has been taken?

Mr. FLYNT. If the gentleman has the information, I would be happy if he would supply it at this time for the information of the committee.

Mr. STAGGERS. A great many of the decisions have been reversed when an appeal was taken, and meanwhile the families that were expecting the unemployment compensation, and who had a right to that unemployment compensation, would be denied that compensation.

Mr. FLYNT. Is it not true that many more employees have been reinstated than have been finally discharged?

Mr. STAGGERS. That is correct.

Mr. FLYNT. Yes; more employees have been reinstated than not reinstated.

Mr. STAGGERS. And we know, taking into consideration the human element, there is a question of who is going to determine what is willful misconduct or just cause.

Mr. FLYNT. I think the last statement made by the gentleman from West Virginia bears out my original statement on this point, that the rights of the employee are protected and held inviolate where there is any basis upon which to sustain the position taken by him.

Mr. Chairman, with reference to the question of maternity benefits, I will devote a few minutes to this question. This is a provision which I sincerely feel is very greatly needed in the readjustment of the provisions of the unemployment compensation insurance provisions of this act, and the sickness benefits under this act. Under the existing law, an employee of the railroad company who becomes pregnant can ordinarily claim 116 days of benefits whether or not there is any disability brought on by the pregnancy. There is an added provision that during the 14 days immediately prior to the birth of the child and the 14 days immediately following the birth of the child that time and one-half benefits are provided, which in effect give 130 days of maternity benefits to any person filing a claim for benefits under the provisions of this act. That might be all right for a prosperous fund but it is not proper for a rapidly depleting fund.

Mr. Chairman, I would like to close with a statement of the comparative costs of these two proposals which are before the Committee of the Whole today. On the retirement part of H.R. 5610, the added cost is estimated by figures which were available to our committee staff to be $146 million increase each year on a level basis. Under the provisions of H.R. 1012, the estimated cost is $147 million. The difference there is almost negligible. The great difference is provided for in the place where we need to reappraise and make a readjustment, if necessary. All this is on pages 18, 23, 92 and 98 of the committee report. Under H.R. 5610, the added cost of the unemployment insurance compensation benefits of the committee bill would be $25,448,000 annually. The added sickness benefit cost would be $3,283,000 annually or a total of $28,731,000 increase by the very terms of the committee bill itself. This does not include an additional $20 million, payable for 1 year, for the temporary extension of unemployment benefits.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. FLYNT] has again expired.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FLYNT. Mr. Chairman, under the provisions of H.R. 1012 the additional cost to unemployment compensation insurance provision would be $59,172,000. The increased cost for payment of sickness benefits would be $12,543,000 or a total of $71,715,000 increased cost, which represents a figure of between $43 million, the difference in the cost of the two bills. Also the cost of the temporary unemployment benefits under this bill would be an additional $15 to $18 million for 1 year. This difference must come from one place and one place only, and that is the trust fund from which every railroad employee has a right to expect that he may receive his unemployment and sickness benefits when he becomes unemployed or sick and the other trust fund from which he may expect retirement benefits when he becomes old enough to retire. It is to protect the earned benefits of annuitants who are presently drawing from this fund, as well as the right of present employees who some day expect to retire, that we, a majority of the committee, seek to maintain the financial fiscal solvency of the retirement fund and of the unemployment insurance fund rather than let them depreciate so that instead of receiving regular benefits provided under the two systems those in charge of these funds will say of one or the other fund: "We are sorry, but the money is all gone."

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

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. MACDONALD].

Mr. MACDONALD. Mr. Chairman, I rise in support of the substitute measure, H.R. 1012. I do so very gladly because I join with my distinguished chairman, the gentleman from Arkansas, who urged the passage of H.R. 1012 back in January. The reason that I do so is very simple. Anyone on either side can talk about the technicalities involved and the estimated costs of the various bills, but there is one thing about which needs no estimate. That is the hard fact that unemployment among railroad workers is here and is here to stay. Two hundred thousand railroad workers were unemployed in January, when more than 160,000 of them were drawing unemployment insurance. Of this number over 40,000 had exhausted all payments available to them under the present Railroad Unemployment Insurance Act during January.

During the fiscal year 1957–1958 more than 300,000 railroad workers, representing 21.2 percent of the qualified work force, drew unemployment compensation. Of that number, 74,100 exhausted their benefit rights. My own State of Massachusetts has been very hard hit. As a matter of fact, New England leads the entire Nation in the dubious distinction of having the highest percentage decrease in railroad employment over the past 10-year period. There has been a 45-percent decrease in employment among railroad workers in New England.

These statistics, of course, cannot begin to indicate all the human suffering that went into their making. Each one of the 74,000 units in last year's total number of exhausted benefit rights represents a human being, plus in most cases at least one or two other members of the family dependent upon his earnings. Each of those human beings, jobless so long that even their inadequate unemployment insurance income was exhausted, means an unemployed railroad worker who has literally come to the end of his rope. Almost every one of those 74,000 human beings behind that statistic represents exhausted savings, foreclosures and repossessions, poverty, even hunger, although these idle workers were part of a labor force which, Labor Department figures show, last year gave its employers the benefit of the greatest rise in output per man-hour of any group of workers in the entire Nation. These are also workers whose outstanding performance enabled the railroads to earn a total net income, after taxes, of over $600 million in 1958, despite the recession which had such a severe effect throughout American industry.

Although the income of the railroads has rebounded to peak levels in the first quarter of this year, unemployment in the industry in January 1959 fell to 110,675 individuals, the lowest level of employment during the 20th century.

Clearly the soaring productivity of railroad workers since the end of World War II and the great technological progress of the industry have created a situation in which rail unemployment appears almost certainly destined to remain severe even after railroad earnings again have soared.

We are confronted in the railroad industry with a continuing unemployment crisis, not just a temporary setback that will be overcome through normal business recovery. Ironically, the great increase in efficiency of railroad workers, which has given the railroads a tremendous earning advantage over other industries, is the major cause of the unemployment and suffering now confronting one out of every five of the employees the industry had last year.

Employees with 20 and even 30 years of seniority have found that their skills are no longer needed or that they are needed only in greatly reduced numbers.

Of the more than 300,000 workers unemployed in the railroad industry in 1958, and that is 36 percent of the total working force, were over 45 years of age, and an additional 11½ percent were between 40 and 45. These displaced workers do not find that their special railroad skills can be readily transferred to other industries. Generally, they are not old enough to retire, and their present duration of unemployment benefits is completely inadequate to meet their needs.

In essence it has been voluntarily accepted by the railroads themselves under the Washington job protection agreement, which provides up to 5 years protection to employees displaced as the result of savings the railroads make through merger or consolidation of two or more carriers that these employees should be cared for.

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

Mr. MACDONALD. Mr. Chairman, can the gentleman from Michigan yield me any time?

Mr. BENNETT of Michigan. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. MACDONALD. I thank the gentleman.

Mr. Chairman, when the railroad unions first proposed the legislation we are considering today, they asked that the railroad unemployment insurance benefits for older workers be extended for up to 5 years to veteran workers to conform to this agreement which they had arrived at with the railroads through collective bargaining.

Last year, both the House and Senate committees which considered this legislation agreed that there was a valid and pressing need for extended benefit periods for the long-service employees who are being displaced by technological progress and rising productivity of their colleagues who remain on the job. Both committees, however, sharply reduced the period of protection recommended by the unions. The Senate committee recommended 26 weeks of extended benefits to railroad workers with 10 to 15 years of service and 52 weeks for employees with 15 or more years of service. Our House committee, however, recommended only half as much; and the Senate, with the clear understanding recorded in the record of the debate that the provision in the House bill would have the committee's support in the House, conformed its bill to the lower recommendations. H.R. 1012 provides only for the extended protection at this minimum.

Surely, under the circumstances, the already greatly reduced provisions of H.R. 1012 in regard to extended benefits are the very minimum protection this House should accept. The plight of veteran railroad employees who have been displaced from their jobs is totally ignored in H.R. 5610, although this measure does not hesitate to propose that workers who are still on the job should assume a much heavier burden in higher retirement taxes to pay the cost of improved benefits to workers already retired. In this connection, it must not be forgotten that railroad workers are already paying a heavy burden of taxes to finance benefits to retired workers who originally were covered by pension plans financed entirely by the railroad industry. When the railroad retirement system was set up, the railroads saved many millions of dollars when their employees agreed to assume payments to cover the converting of such plans into railroad retirement benefits. In addition, the railroads have saved over $1 billion in unemployment taxes through the railroad unions' agreement to reduce the original railroad unemployment tax when there was no need for this money in days of full employment.

It does not seem unreasonable to ask the railroads to share some of its huge savings with their unemployed employees in the form of extended benefits, now that these workers are facing poverty and need.

It is important to note that the extended protection proposed by H.R. 1012 would operate only while an individual is actually unemployed. If permanent suitable work can be found for him, either in or out of the industry, his benefits cease immediately. Even temporary work would interrupt benefits for the duration of such employment. The provision of the kind proposed would, I believe, serve a useful social purpose by creating an incentive for the railroads to stabilize their employment in order to effect savings in unemployment taxes. In this connection, one must not forget the shocking fact that during this period of chronic unemployment of railroad workers, the carriers have refused for over 2½ years even to bargain on stabilization of unemployment proposals submitted by the railroad unions.

Mr. Chairman, I urge my colleagues in the House to adopt the bill originally introduced by the very distinguished chairman of our committee, the gentleman from Arkansas [Mr. HARRIS], supported by the ranking Republican minority member the gentleman from Michigan [Mr. BENNETT], that will do justice to the many railroad workers of the country.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. KEITH].

Mr. KEITH. Mr. Chairman, first, I would like to commend the previous speakers who have helped us in defining the issues that are before the House this afternoon. I have been particularly attentive to the remarks of my colleagues on the other side of the aisle and I must say that I agree with their leadership but that the old bill 1012 needs the changes that are contained in 5610.

As has been mentioned by the gentleman from Michigan [Mr. BENNETT], I am from Massachusetts and, prior to coming to the Congress, served in its State senate. We went through a similar and very trying session in the adoption of some improvements to our employment insurance laws.

Massachusetts had exactly the same problems on a statewide basis that we are facing here in the railroad industry. By tightening up our unemployment insurance law we in Massachusetts were able to provide the workingmen and women of Massachusetts with one of the most liberal of all unemployment insurance laws in the country. And yet the law we passed in Massachusetts provided benefits that were much more modest than those contemplated in either of those bills which are before us today.

These bills are generous. They must have adequate premiums and they must have sound underwriting. The committee bill, H.R. 5601, has provisions for sound administration of the unemployment insurance program. It will therefore cause less of a drain on the retirement fund and less of a burden on the railroad industry.

This bill is better for the people in my district where we now have a railroad, the Old Colony, which is subsidized by the towns of southeastern Massachusetts. Its deficit would be increased if H.R. 1012 were substituted. The towns would have to pay more of a subsidy or the railroads would have to abandon the service. The employees and the public would be hurt badly by the substitute bill because of excessive cost of paying for these benefits which are way out of line when compared with Massachusetts industries.

We, in the Congress, are in effect trustees for these retirement funds. We should act prudently and protect the general welfare of all of the parties involved. We should support, therefore, the committee report.

Mr. HARRIS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, this is a very complex piece of legislation. You will find very few provisions where any two reasonable men examining them will come up with the same precise definition or agreement as to the cause or perhaps the effect. The bill, H.R. 5610, however, reported by the committee, is, in my judgment, a long, long step backward.

CALL OF THE HOUSE

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

The CHAIRMAN. The Chair will count. [After counting.] Seventy-nine Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Andersen, Minn.	Diggs	Patman
Barden	Dorn, N.Y.	Pillion
Barry	Downing	Powell
Bolling	Durham	Ray
Bonner	Garmatz	Rivers, S.C.
Brademas	Glenn	Rodino
Buckley	Hoffman, Mich.	Tollefson
Bush	Kilburn	Van Pelt
Casey	Lindsay	Weaver
Celler	Metcalf	Westland
Davis, Tenn.	Miller, N.Y.	Whitten
	Multer	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, 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. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, and finding itself without a quorum, he directed the roll to be called, when 394 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California [Mr. Moss] has 9 minutes remaining.

Mr. MOSS. Mr. Chairman, I stated that H.R. 5610 is a long step backward. In making that statement I want to point out that in most respects H.R. 1012, the bill originally introduced by the distinguished chairman of the Interstate and Foreign Commerce Committee, the gentleman from Arkansas [Mr. HARRIS], and H.R. 5610 are almost identical; but in at least a half dozen very substantive areas they are sharply different. The fact that there are just approximately these half dozen areas of difference undoubtedly led my colleague, the gentleman from California [Mr. YOUNGER], to observe that in committee he could not recall any negative votes when the bill was reported out. While I do not think that is exactly the fact, nevertheless, whether or not we voted on that point, a number of us expressed our sharp disagreement with amendments which had been included in this bill. I am going to concern myself primarily with two amendments which change very radically the present rights of railroad workers, and in discussing them I am going to direct my discussion to railroad unemployment insurance.

I would suggest that each member of this committee acquaint himself fully with the fact that we are talking about two separate funds, and they are easy to confuse: One is the railroad retirement fund, which is contributed to by the employee and the employer on a fixed rate of contribution. The other is the unemployment insurance fund which is contributed to by the employer at a variable rate depending on a number of important factors. The fact that only the railroad employer contributes in this instance does not mean that it is its personal property; it is a trust fund to be administered for the benefit of the employees; it is part of the total package of compensation.

The difference is that for the first time we are going to impose on the railroad worker who voluntarily leaves his employment, a permanent disqualification unless he leaves it for good cause. We do not define "good cause," and we do not provide any means of appeal. The provisions of H.R. 5610 are silent as to the type of appeal provided.

The second thing is that we give to the employer almost a right to permanently disqualify any employee who is fired for cause. This was a point of considerable controversy in committee, and the committee acted without knowing what it was doing on at least one occasion.

I would point out that I have before me the original draft of the language saying:

> Any of the days beginning with the day with respect to which the Board finds that he was discharged or suspended for misconduct as defined by the uniform code of rules of the railroad industry applying to his work.

The reason we could not adopt this as the final language of the amendment was because we discovered that there is no uniform code of rules. In fact, we do not know what constitutes discharge for misconduct connected with his work. We do know there are a great many railroads in this country that have a number of crafts and a great number of working agreements and that each of these agreements on the various railroads deals with the matter of discharge for cause or misconduct connected with the work of the employee.

Then we have a very complex appeal machinery, starting down between the worker and his employer and working through his union repesentatives. Ultimately this man's case gets to some governmental board, where it takes about 2 years to get a decision. You can imagine how very different it is going to be if all of the cases involving some kind of disciplinary cause for discharge are referred to an inadequate machinery for determination. There are very few of them considered at the present time, but even those few take up to 2 years to get a decision. Now we are going to increase no one can estimate by how many hundreds or thousands the workload of this appeal machinery.

This is a step back to 1937. The original law provided for substantially the same sort of punitive treatment where a man voluntarily quit or was discharged for cause connected with his work. Before the act became operative, on petition from the railroads and the workers that provision was repealed. It was deemed to be far too cumbersome and too difficult to administer. So this is in fact a real step backward.

I would point out that the substitute which will be offered is going to be modified to overcome the objections as to retroactivity and those of us who support that would point out to the gentleman from Kansas [Mr. AVERY], that we also

supported it in committee as being sound procedurally. So we are not retreating, we are not abandoning principle. We are being consistent.

It improves the bill and we are anxious to improve it. We also improve the provision which would permit one trust fund to borrow from the other over a period of temporary fund shortage. Again this is not an inconsistency, this is not retreating. It is further evidence of the desire of those who signed the minority views to make the bill as good as possible.

But the other differences take away in every single instance. We take away rights which have been a part of this package for many years. In doing that, this committee should consider very carefully the fact that this is a different type of industry. Here most of the employees are not covered by supplemental contracts negotiated with their employer as is typical of most large industrial employee groups today. This is the principal package the railroad employee may look to. He does not have, for instance, any sick benefits, a separately negotiated package apart from the rights covered by law. These are all against. He does not have the supplemental retirement. I mention that even though retirement is not part of the issue or controversy in the discussions between H.R. 1012 and H.R. 5610.

We are dealing with a different type of employee group than characterizes American industry. We are dealing with people who must come to the Congress because of the law under which they operate. We impose by law many requirements on the railroad worker which are not imposed on other groups of employees. We recognize the national interest in whether or not he be permitted to strike and place far more onerous requirements on the employee of the railroad industry before he can finally take his issue on strike and try to bargain to bring about improvements in his working conditions. All of these things should lead you to give careful consideration, and I am sure if you do you will vote for the substitute.

Mr. HARRIS. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I would like to state that I am one of those Members of the House who joined in filing the minority report urging enactment of H.R. 1012 in lieu of the measure reported by the committee, H.R. 5610. There are many reasons for this, and I would refer my colleagues to the minority views which you will find in the back of the committe report.

Now, I would like to first limit the issue briefly. H.R. 1012 is the same measure which our committee reported out last year, with very, very minor exceptions. H.R. 1012 is the same bill, as a matter of fact, that was introduced by the distinguished chairman of our committee. Last year the identical bill was worked out very carefully after conferences involving the railroad brotherhood, Members of the other body, Members of this body, and after some consultation, indeed, with members of the railroad industry. So, it is not a new bill; it is not a measure which was not carefully thought out.

First, I would like to refer my colleagues to one very important factor. The differences over this measure do not have to do with retirement. They have to do, as my colleague, the gentleman from California [Mr. Moss] said, with the unemployment compensation features of this bill. I would like to dwell on the same points that my colleague from California mentioned to this committee. I would like to treat with the provisions requiring forfeiture of unemployment benefits for those who voluntarily quit and forfeiture of unemployment benefits for those who are fired for cause. And, the first I would like to call to the attention of my colleagues is this: There is no clear definition in either case as to what constitutes voluntary quitting or what constitutes being fired for cause. In no case is there in the bill any procedure for appeal from loss of benefits. These two sections can cost any worker up to $2,200, with no appeal.

Now, we have heard it said that this business of unemployment compensation is something which is owned or which is contributed to solely by the railroads. This is not true. The railroads in their negotiations with the brotherhoods have at all times regarded the unemployment compensation payments which they make as an additional factor in the hourly wage. It is so computed, and when they sit down and bargain with the brotherhoods they say, "We pay so much basic wage; we pay so much sickness benefits; we pay so much vacation time; and we pay you this much for unemployment compensation and retirement." And, they figure the whole thing out as an hourly wage.

I would refer you to page 18 of the document entitled "Report to the President by the Emergency Board Created December 28, 1953, Pursuant to Section 10 of the Railway Labor Act (N.M.B. Case A–4336)":

> In the financial operation of railroads and other types of business, the costs of certain fringe benefits such as paid vacations are included in wages as such. Certain other fringe benefits to the extent they are paid for by the employer normally involve costs in addition to wages as such.

I am sure if you read the transcript of this particular case before the Board you will find that the railroad specifically referred to their contributions into the unemployment compensation fund as additional compensation to the workers.

I ask anyone here to define to me or to anyone else what constitutes a voluntary quit or what constitutes firing for cause. Indeed, there will be many differences. Indeed, the two cases will overlap.

We received some estimates that say that the voluntary quit provisions and firing-for-cause features will save the fund some $6 million a year. That is not a reliable figure. In fact I was advised in the last few days that this saving to the railroads and to the fund will not necessarily equal this amount.

That figure is not based on experience. There is no experience presently available. In the past the law provided that when a cessation of employment occurred under these circumstances the worker went into a waiting period and at the conclusion of that waiting period he drew his full benefits.

If H.R. 5610 is passed, we will find this is not so, each and every one of these cases will be litigated to the fullest before the Railroad Retirement Board. Remember, the Railroad Retirement Board administers the Railroad Retirement Fund and the funds of the unemployment compensation program for railroad employees. Its administrative costs will be borne by the fund and by the railroads through their contributions. This will require a substantial increase in staff. Experience shows that the other agency which handles adjustment of grievances, the Railroad Adjustment Board, handles cases of this sort over a period usually up to 2 years, but in many cases the period for solving the procedure has taken up to 5 years. Men fired for cause, or allegedly voluntarily quitting, may well wait for 5 years for adjudication of their case.

If these two provisions alone become law, the man who works for the railroad and who either quits or is fired for cause will have to wait to have his problems and to have his interest adjudicated, for a period of up to 2 to 5 years. During this waiting period there will be no income to his family. Subsequently, if, as in many cases it works out, the man is reinstated with wages back, he will still have undergone a substantial period of hardship with no unemployment compensation whatsoever, through no fault of his own.

Let me remind the House of Representatives of one thing—and I want to stress this. These very same provisions were in the original law but were removed within 1 year. And they were removed because the railroads and the brotherhoods agreed that the removal of unemployment compensation benefits for voluntary quitting or for firing for cause was not in the interest either of the railroads, of the brotherhoods, or of the employees; and indeed was not in the interest of the integrity of the fund. They found that cost of the administrative handling of this would be too burdensome to the fund, and that it would be cheaper and better merely to pay unemployment compensation to those voluntarily quitting and being fired for cause than to litigate each case arising under such provisions.

As a result it was removed.

H.R. 1012 should be substituted for H.R. 5610.

I wholeheartedly support the proposal to substitute the original bill, H.R. 1012, in substantially the same form as this legislation passed the Senate last year, for the bill reported out by the committee. It is hard for me to believe that the majority members of the committee were fully aware of the effect and implications of what they were doing in amending H.R. 1012 as they have done. On the one hand, by keeping certain features in the original bill, the majority of the committee have indicated that they, too, recognize the basic need for,

and justice of, improvements at this time in railroad retirement and railroad unemployment insurance. Yet by adopting the amendments to H.R. 1012 which are incorporated in the bill reported to the House they have at the same time struck undeserved and harsh blows at the railroad workers who are or may become the victims of unemployment.

In effect, by adopting H.R. 5610 which retains the proposals for increased unemployment insurance benefits and certain other improvements contained in H.R. 1012, the committee majority has said, "Yes; we recognize that the unemployment situation on the railroads today is worse than at any time since the turn of the century and the workers must have relief." But, then, by adopting the amendments to H.R. 1012 which constitute the committee bill, the committee majority, to all intents and purposes, goes on to add: "Even though railroad workers today have increased their productivity faster than any other group of workers in the Nation and are suffering one of the most severe unemployment problems of any group of workers as a direct result of the greater output they have given to the railroads, nevertheless we are going to reward this outstanding group of workers by taking away from them—while they are unemployed solely because they have helped their employer benefit from their greater output—unemployment insurance protections they have had since the beginning of the railroad unemployment insurance system. More than that, we are going to reward railroad workers further by placing upon them stricter restrictions for eligibility for unemployment insurance than have been placed upon workers in other industries, even though these other workers have by no means benefited their employers as much as the railroad workers have in terms of increased output per man-hour."

That, although the committee report uses different words to express it, is precisely what the amendments in H.R. 5610 would do. Let me cite only one of the provisions in H.R. 5610 which is a case in point. I am particularly concerned about the unreasonable provisions which the committee bill would establish concerning the payment of unemployment benefits to railroad workers who voluntarily quit their jobs or fail to accept suitable work. H.R. 5610 proposes—with no justifiable reason—to apply even stricter disqualification provisions to railroad workers in these categories than are applied to workers in other industries. This fact in itself makes the committee bill sufficiently unfair and unreasonable to merit rejection and the substitution of H.R. 1012. The injustice of this proposal is compounded, and cries out for support of H.R. 1012, by being proposed at the very time when unemployment on the railroads has reached chronic proportions and the unemployed workers of this industry are in desparate need of help, a fact which even the backers of H.R. 5610 do not dispute.

The contradiction of H.R. 5610's retention of H.R. 1012's helpful provisions, while at the same time it strikes unjust blows at human beings suffering the pangs of hunger and poverty, leads me to believe that the sponsors of this legislation were not aware that the Railroad Unemployment Insurance Act, like most State unemployment compensation laws, already disqualifies an employe for benefits for a reasonable time if he voluntarily quits his job without good cause or fails without good cause to accept available suitable work. This provision, I repeat, is already in the law. Railroad workers are already disqualified for a period of 30 days from drawing unemployment benefits which they have earned from their prior service if they voluntarily leave suitable work, or if they refuse to accept such work when it is offered. This existing provision is generally comparable with similar disqualifications in the State unemployment insurance laws.

These disqualifications recognize that a worker should not have a completely free choice to stop working or to refuse work and draw unemployment insurance benefits instead. On the other hand, by putting a reasonable limit on the period of disqualification, they also recognize that it would be socially unwise and morally unjust to permanently disqualify unemployed workers from benefits they have earned over years of service. Practically all people who depend upon wages for their livelihood want to keep working and to find jobs when they are unemployed. They do not quit jobs or turn down suitable employment opportunities on a mere caprice. Workers quit jobs for many reasons. Perhaps a better job is offered but then does not materialize. Perhaps a worker may find himself physically no longer able to cope with the job he has been holding, although technically he may not be considered disabled for the job. Perhaps his boss does not like him and makes his employment so miserable that he quits. Does a worker who voluntarily quits his job in such circumstances commit so heinous a wrong that Congress now wishes to deprive him, as H.R. 5610 proposes, in many instances permanently, of protections he has earned through his previous work for the railroads? I cannot believe even a strong minority of this great 86th Congress would take so backward a step.

The present provisions, providing for 30 days of disqualification for any benefits, are certainly a reasonable balancing of the various considerations. No case of any kind has been made to support the committee's bill's harsh proposals. H.R. 5610 would establish a continuing disqualification for unemployment benefits applying to all employees who quit work or fail to accept work until they can again get a railroad job and work in it at least 20 days. Given the present high unemployment situation in the industry, this would often have the effect of being a permanent disqualification. This is an entirely unjust penalty, which would often rest upon questionable and dubious interpretations of some government official as to just what constitutes "suitable work" and "without good cause."

H.R. 5610, by proposing such a penalty in the circumstances at hand, loses sight of the basic function and social purposes of unemployment insurance. We must aid the jobless, not deprive them without valid reason of existing benefits they have worked—in the case of currently unemployed railroad workers—for as long as 20 and 30 years, to earn.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, a year ago, upon the combined plea of the railroad industry and railroad labor, I supported the Transportation Act of 1958, under which the railroad industry was provided with broad authority to effect economies and more profitable operation. I supported this legislation with reluctance because I feared an extensive cutback in railroad employment, adding to the national unemployment problem.

Last year the Congress reduced the excise tax on freight transportation. I opposed this legislation because it eliminated a freight excise tax on all forms of freight transport, including truck and pipeline transport and would provide no special assistance to the railroad industry. I feared that the elimination of this tax would result in no reduction in freight rates, no savings to the consumer and a substantial loss to the defunct Federal Treasury. My fears have been well founded. Railroad, truckline, and pipeline managements gained a tax cut bonanza—the public gained an increased tax burden.

Last year we increased social security benefits and provided unemployment compensation extensions. The railroad employees were overlooked. Although it is true that railroad retirement benefits and railroad unemployment benefits are better than those under the social security system, it must be remembered that railroad labor has been in the vanguard with respect to this legislation. Railroad labor has provided the crucible for the testing of improvements and betterment in retirement and unemployment program. Benefits and contributions have been higher to provide a better system. The experiences of railroad legislation are used to establish standards and actuarial experiences for the benefit of all American labor.

We have drastically improved the plight of the American railroads. It is only fitting that we now seek to improve the plight of railroad labor.

Last year the managers of the railroad industry told us that if we enacted legislation improving pensions and unemployment insurance for railroad workers, the carriers would be forced to lay off thousands more of their employees. Although we did not enact this legislation, thousands of railroad employees were laid off anyway. More than 200,000 railroad workers were laid off in the 12-month period ending June 30, 1958. Regardless of what we do here, the railroads will employ as few workers as possible. But there are some basic facts about the financial conditions of the American railroads that we should all know, especially in view of the familiar cry of "poverty" of railroad managements.

RAILROADS MAKE FINE RECOVERY

The railroad industry has made a splendid recovery from the 1957–58 recession. No additional carriers have fallen into receivership. In the final accounting at the close of 1958 only 17 railroads failed to earn their fixed and contingent charges for the year. From September through December 1958 total net railway operating income for all railways was $368,932,000, 20 percent above the same period of 1957 and only 6 percent under the same period of the more prosperous year of 1956, when railway net operating income exceeded $1 billion.

DEBT POSITION IMPROVED

The debt position of the railways has greatly improved. In prewar years, debt constituted about half of total railroad investment. At the end of 1957 it was less than one-third. Prior to the war, interest alone sometimes claimed as much as 18 percent of total yearly railroad revenues. In 1957 interest required less than 4 percent.

Speaking of interest, when this administration instituted its tight-money policy, adding billions of dollars of costs to all of us, including the railroads, we heard no complaint from railroad managements. It is only when employees ask for improved wages or working conditions that carrier managements begin to cry.

RAIL COSTS MOST FAVORABLE

Improvements in the railroads' financial structure have been accompanied by enormous expenditure for additions and betterments. The industry has almost completely converted to economical diesel operation. The overall age of its equipment shows significant improvement over past years. Unit costs of railway operation have not increased in pace with other increases. Since the end of the war, total railway costs per gross ton-mile have increased by only 42.6 percent. In the same period consumers' prices have risen 60.6 percent and the wholesale price index by 73.3 percent. Comparisons based on earlier years reveal similar trends.

Thus, actual costs of providing railway service have risen less than the general price level, in spite of increases in wages and prices of materials and supplies. Again, by their phenomenal increase in productivity, fewer employees producing more revenue, rail employees may take great credit for this significantly favorable position of the railway industry.

IMPROVED RAIL PROFITS

These favorable conditions have paid off in rail profits. Annual operating profits of rail carriers have remained close to $1 billion throughout the postwar years. Prior to World War II the net railway operating income frequently dropped well below $500 million. Since 1949 it has not dropped below $750 million. Net income has also been extremely stable.

A most reliable manner of measuring railway earnings is the return earned in relation to common and preferred stock in the hands of the public. In 1957, the latest year for which figures are available, the railways earned 12.8 percent on their outstanding equity capital. The rate of return on capital stock in the hands of the public, not held by railway companies, in recent years is: 1950, 12.2 percent; 1951, 10.8 percent, 1952, 12.8 percent; 1953, 13.5 percent; 1954, 10.2 percent; 1955, 14.1 percent; 1956, 13.8 percent; 1957, 12.8 percent.

The fact of the matter is that today rail stocks and debentures are among the more promising areas of investment.

FAVORABLE FUTURE PROSPECTS

These vitally important facts give us a right to expect continuing improved conditions. No industry is more responsive to general conditions than the railroads. No production, no transportation. The Regional Shippers Advisory Boards, as reported by the Car Service Division of the Association of American Railroads, estimated a 5.9 percent increase in carloadings for the first quarter of 1959. The efficiency of railway employees is now at its alltime peak; the current rate of productivity progress in the American railroad industry is the highest in its history.

VITAL NATIONAL CONCERN

We must do what we can to keep it that way in this vital "backbone" industry of America. Certainly denying just pension benefits and improvements in the railroad unemployment insurance act is a most ungrateful way to reward such faithful service. Many thousands of these faithful employees have been separated from the industry. Adequate unemployment insurance in this industry is of vital national concern. Many of these employees are in most hazardous occupations. In 1957 there were 12,448 employees killed and injured on American railroads. In 1958, with approximately 144,000 fewer employees, there were 13,086 employees killed and injured on the American railroads. In 1958 American railroads paid $129,300 in fines for violating Federal safety laws.

It is an urgent necessity that this Congress enact improvements in railroad unemployment and sickness insurance and railroad pensions. We must not break faith with a group of employees who have a notable record of productivity, efficiency and faithfulness. Not only will such legislation fill vital human needs, but it is important to note that in these times when effective mass purchasing power is so desperately needed, pension payments and unemployment and sickness insurance payments immediately find their way into the flow of consumer purchasing power. While increasing the wealth of the Nation, they compensate those among us who are most in need.

Finally, we must consider that increased retirement benefits create important incentives for retirement. Every person induced to retirement from an essential job, releases that job for another. In present times, when the work force faces the massive effect of automation and mechanization along with an increment of one million additional workers each year, job creation becomes a national cause of primary importance. This legislation, as submitted in the substitute bill, is completely in the national interest. I urge its adoption.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, listening to this debate this afternoon, I fear we have strayed far afield from what we set out to do just a year ago. If you will remember, a year ago we were talking about increasing the railroad retirement benefits and extending the period of unemployment insurance benefits to unemployment railroaders.

But the debate this afternoon seems to have become an argument over whether a mother about to have a baby deserves any sickness insurance and whether a man who has been furloughed for 89 days should get any sickness insurance while a man who is furloughed for 90 days should not.

I wonder, Mr. Chairman, if we are not trying to settle too many problems at one time here, or at least are we not trying to settle prematurely some problems that should be aired more thoroughly by the industry itself before the Congress arbitrates.

I respectfully suggest that we get back to the original point. Do we increase railroad retirement benefits and extend unemployment compensation over a longer period for some worthy unemployed railroaders or not?

Apparently, there is a rather general agreement that we should increase railroad retirement benefits. We increased retirement benefits for Federal employees and for social security retirees and everybody else who comes under Federal jurisdiction last year. We are going to vote railroad retirees a 10 percent increase this year. That seems to be agreed.

Now what about extending unemployment benefits for a longer period? Last year we tried to do that for other industries. We said to the unemployed in the textile industry and in the automobile plants and others, "Now, this is an unusual situation. We are going to lend you a helping hand. We are going to help you out by helping the States to provide you unemployment compensation for additional weeks." We did not say to them, "We are going to provide you with additional benefits for additional weeks provided you give up some of the sickness or maternity benefits that you negotiated at the bargaining table." We did not put any proviso or make any sweeping changes in the program at all. We extended it without any strings attached.

But under H.R. 5610, look what a different treatment we are trying to give the railroad industry. If this bill becomes law, we would be using a promise of an increase in retirement and unemployment compensation benefits as a carrot to entice railroad employees to give up certain benefits that they have had since 1938.

That is wrong. That would be adjudicating here, as a part of this matter, controversies that are of long duration and controversies which should be more thor-

oughly aired between management and labor before the Congress arbitrates.

Now, it is said that if we do not make these controversial changes, there will not be money to pay these additional benefits. I think one gentleman took the floor here and said that the original Harris bill will cost some $45 million more than this Harris bill No. 2, H.R. 5610, if we do not change some of these rules on sickness insurance and unemployment benefits.

Now, just a minute—think about this a second. Actually, how much money will be saved, if you tell the mothers in the railroad industry that they do not get sickness insurance for pregnancy?

How much are you really going to save in the unemployment compensation fund if you say a man who is fired for misconduct cannot have unemployment compensation? How many are there of those? Has the personnel department of the railroad companies made so many mistakes in hiring untrustworthy personnel that there are thousands being fired for misconduct? And how about people who quit voluntarily? How much money are you going to save if you deny them unemployment benefits?

The truth of the business is the Railroad Unemployment Compensation Fund is unsound today and has been for some time, not because of any so-called abuses. The real reasons are these: First, there is a tremendous technological revolution that is going on in this industry; and, second, the railroad industry for many years got real shortsighted about putting money into the fund—adding only one-half of 1 percent per year. They were looking through rose-colored glasses, thought the smaller contribution would be sufficient.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BROWN] has expired.

Mr. YOUNGER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BROWN of Missouri. The unemployment insurance fund in the railroad industry would be some $1 billion sounder today if somebody had not been quite so shortsighted.

The fact is that the railroad industry, in the period 1948 to 1958, paid less money in annual contributions to the unemployment insurance fund than other industries paid into such funds. In fact, for the last 20 years the railroad contributions have averaged 1.85 percent, while other firms have paid 2 percent under the State law.

So, the truth is that a technological revolution and this shortsightedness in contributions into the fund have brought us to this crisis. Let us not kid anybody that it was because some mothers are getting some maternity benefits and that there are some people who are drawing unemployment benefits who were fired for misconduct or who quit voluntarily. I think the chairman was right when he introduced H.R. 1012. I support that bill. He has had some second thoughts about it, I am sure, but I suggest that every Member of this Congress go back to the chairman's original thinking and substitute H.R. 1012 for this boobytrap bill.

Harris bill H.R. 1012 has a pretty good arrangement on extending unemployment compensation benefits, it seems to me. It would differentiate between newcomers and employees who have devoted more than 10 years of their lives to railroading.

The oldtimer who gets laid off has a much harder time making connections with some other industry. He also wants to stay available for any call that might come from the railroad, because he has his seniority at stake. Railroading is his career. He is not trained for anything else and has not enough active years left to learn a new trade or profession. Why not give them special attention in unemployment compensation?

The Interstate and Foreign Commerce Committee agreed to this arrangement last year. Why is it not just as good today as it was then?

In fact, why did not the committee stand by the compromises they hammered out last year all along the line, compromises expressed in Harris bill H.R. 1012? Surely, if it was satisfactory 9 months ago, it could not be so awfully bad now.

Now we are told that the big reason for substituting Harris bill H.R. 5610 for Harris bill H.R. 1012 is that it involves additional cost.

But now Congress should be consistent. Lots of employers and employees are paying increased costs of social security contributions and unemployment insurance today, maybe when they cannot really afford it; because it was decided that it had to be done; and it is the law.

Yet we are told that railroads should be accorded special consideration, different from other industries.

No thinking person wants to be a party to bankrupting anybody or any business.

But tough as it is to pay additional costs, the railroad companies will surely find a way to do it.

I do not mean to imply that they are rich. I know they have had their troubles.

I made a speech on the floor of this House in support of the Smathers bill last year providing loans and relief from regulatory restrictions for suffering railroads. I want a healthy railroad industry; and I feel the Government should make every reasonable effort to help keep it healthy.

Well, we passed the Smathers bill, but the last time I checked, not one railroad had requested a loan under the new law. Obviously, the health of the patient improved dramatically overnight.

In fact, if the figures supplied me are correct, the rebound from the depths of the 1957–58 recession has been startling in most of the railroad companies.

And apparently, business is good enough that many of the companies are increasing salaries for officials and increasing numbers of top-level executives.

Surely, that is a sign of prosperity. And I want to see more signs. I hope every railroad in this country makes more money every year, so their officials and their employees and stockholders can share in the fruits of a thriving industry.

I believe in the free enterprise system.

But any company which can afford sizable raises for officials would surely not plead poverty as a reason for not wanting to provide for its unemployed and retired.

In the period 1955 to 1957, executive salary increases and additional executives jumped the cost of supervision from 8 percent to 124 percent per employee in the railroad industry.

If these increases were within the budget, surely some way could have been found to pay more into the unemployment insurance fund during that period. Then, everybody would have been better off.

But it was not done. Now, we must take emergency action to correct the mistake.

Railroad retirement benefits and unemployment insurance benefits must be modernized. We all agree on that.

Harris bill H.R. 1012 will modernize them the way we modernize them for employees in other industries, with no strings attached, no debatable conditions stipulated, no taking away of rights or privileges hammered out years ago.

Harris bill H.R. 5610 would modernize unemployment insurance programs for railroaders provided certain changes were made in sickness insurance programs, maternity benefits, and so forth—a proviso that Congress asked of no one else in any other industry.

I think the people who make railroading a career deserve, at least, the same treatment Congress has already granted people in other industries. Railroaders are first-class citizens and should not be treated as second class.

I urge the House to pass the original, the genuine Harris bill, and not accept any substitute, especially this boobytrap H.R. 5610.

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

Mr. BROWN of Missouri. I yield.

Mr. AVERY. I think I just heard the gentleman say that the reason the unemployment compensation fund was different was on account of the shortsightedness of the railroad employers.

Mr. BROWN of Missouri. I said of the industry.

Mr. AVERY. Does the gentleman know just exactly how that is?

Mr. BROWN of Missouri. I am sure that the industry decision involved decisions agreed to by management and employees, and even the Government was a part of it, but it still does not alter the fact that there was shortsightedness. Let us not blame it on the mothers who got some time off just to have a baby.

Mr. AVERY. The Congress of the United States set up that provision. That is in the statute. That is not a matter of negotiation. It is firmly planted there on the basis of the formula set up by the Congress as to what the tax should be. So if there was some shortsightedness it would be on the part of some of the previous sessions of the Congress.

Mr. BROWN of Missouri. It was a combination of the industry and the economy.

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

Mr. YOUNGER. I yield the gentleman 1 additional minute.

Mr. AVERY. The gentleman has made some reference as to mothers receiving sickness benefits. If the gentleman will read the bill he will find that we have not taken any sickness benefits away, as such. This bill will call for the expenditure of $3½ million more for sickness benefits. We have deleted some maternity benefits, as such, but I point out that even though the maternity benefits have been eliminated, sickness due to pregnancy will be allowed in the bill.

Mr. BROWN of Missouri. Under this bill, as I read it, any single girl working for the railroad industry must take an oath that she is not pregnant before she can get sickness benefits.

Mr. AVERY. That is not the case.

We even today propose to reduce the benefit by increasing the time to 9 days instead of 7; and there are other instances. This bill goes backward instead of forward.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I have a conflict of interest with respect to this legislation: My dad, after 45 years on the railroads, retired in January. I also have a concurrence of interest because I have, as most of you have, thousands of railroad men, retired and present employees, who are deeply concerned about what we are doing here today.

We are not arguing, I am glad to say, as to whether the benefits should be increased or not. Some of us would hope they could have been increased more, but I have not heard an argument to the effect that they should not be increased. Instead we are arguing about conditions of employment, changes which have been made in the second bill, presumably to correct certain abuses which must have existed for a good while. I want to talk about those presumed abuses and in particular with respect to a letter which was sent to every Member of the House by Daniel P. Loomis, the president of the Association of American Railroads.

Under date of April 9, 1959, Mr. Daniel P. Loomis, president of the Association of American Railroads sent to every Member of the House of Representatives a four-page letter in which he set forth a comparison of H.R. 5610 with H.R. 1012, from the railroads' viewpoint. Mr. Loomis did not hesitate to emphasize and I quote his letter—that from the railroads' point of view "H.R. 5610 is obviously to be preferred over H.R. 1012."

Clearly, where there is a basic difference in viewpoint concerning legislation as marked as that confronting us here, a letter written from such a premise must almost inevitably represent a one-sided analysis which is his privilege. Mr. Loomis' letter, accordingly, cannot be taken as telling the full story, or even enough of the full story to afford a sound basis upon which to reach a decision with respect to action on the legislation before us.

Actually, analysis of the AAR letter shows that it is little more than a restatement of the arguments which the railroads presented to the House Interstate and Foreign Commerce Committee during the recent hearings on this legislation. Most of those arguments were overwhelmingly rejected by the committee, but the changes it made in reporting out H.R. 5610 show that a majority accepted some of these arguments as the basis of the amendments to H.R. 1012 which are incorporated in the Committee bill.

I do not believe that even the portions of Mr. Loomis' letter which deal with these changes offer sufficient justification for their retention and I commend the minority of the committee for seeing through their flimsy tissue and making the strong fight they are making here today for retention of the original bill.

In their minority report, which is attached to the Committee Report on H.R. 5610, these members of the committee have stated the chief ways in which H.R. 5610 is a backward step in social insurance legislation. I will not repeat those arguments here, but I again bring them to your attention—page 115–122 of the report—as offering what I regard as full and complete refutation to the statements made by the Association of American Railroads in support of the changes made by H.R. 5610.

On the last page of his letter, Mr. Loomis listed six alleged "abuses and unwarranted payments" to unemployed railroad workers which he says H.R. 5610 is intended to correct. I would like to look at each of these, and call to your attention the spurious nature of Mr. Loomis' arguments concerning them.

First, Mr. Loomis says that H.R. 5610 would eliminate the retroactive lump sum payments which H.R. 1012 proposed for past unemployment, sickness and retirement benefits.

Let me point out that no provision for such retroactivity would now be necessary except for the failure of the House to take action last year on the bill passed by the Senate. Had the bill reported out by the committee last year come to a vote, there is little doubt but that such benefits would now be in effect as the law of the land.

We must not, therefore, in justice to the unemployed railroad workers who are presently in need of such help, deprive them of these benefits which they would have received had the House not failed to act on this bill in the closing days of the last Congress.

If retroactive payments of temporary extended unemployment insurance benefits are not made, railroad employees will be deprived of such benefits although the last Congress provided them for employees in other industries. Moreover, when the period for such benefits expired on April 1, this present Congress recently extended them in other industries to July 1, 1959. Thus, if extension of unemployment benefits for rail employees of over 10 years of service are not also made retroactive, these displaced veteran workers will be discriminated against.

Insofar as retirement benefits are concerned S. 226 has been amended by the Senate Committee to eliminate retroactivity and it is likely that H.R. 1012 also will be conformed to this amendment either on the floor or in conference, so that increased retirement benefits will be paid on a prospective basis only.

Second, Mr. Loomis charges that under H.R. 1012, and I quote him:

> Women could receive maternity benefits at fantastic rates of as much as $51 per week, if unemployed or sick—and sick benefits even while in jail for their misconduct.

This statement, to my mind, is so misleading and distorted that it casts doubt on all of the other of Mr. Loomis' arguments. Actually, H.R. 1012 proposed absolutely no changes whatever in the qualification or duration of maternity benefits which have been in effect under this law for 13 years.

This argument was advanced by the railroads in opposition to the maternity provisions even prior to their enactment 13 years ago, and they are still arguing what theoretically could happen. We have, however, now had over a decade of experience under this law. This practical test shows that the maternity provision in the Railroad Unemployment Insurance Act has worked extremely well in meeting a valid social need.

The railroads have been unable in all this time to produce any evidence that the theoretical abuses Mr. Loomis cites have occurred except rarely, and then certainly not to any extent that would warrant taking this protection away from women railroad workers.

As his third and fourth objections, Mr. Loomis complains that persons who are discharged for cause or who voluntarily quit or refuse railroad jobs can immediately draw unemployment insurance benefits.

Concerning the first of these, his letter does not disclose that the present provision for payment of unemployment insurance benefits to persons discharged for cause are there as the result of a joint recommendation from railroad management and labor.

The fact is that the original act as passed in 1938 provided a disqualification for discharge for causes related to the employee's work, similar to the one which now would be imposed by H.R. 5610. When study showed that it was impractical to administer this provision, which cuts across the procedures set up by the Railway Labor Act for handling grievances, this disqualification was removed in 1939, on the joint recommendation, I repeat, of the Railroad Retirement Board, the railway labor organizations, and railroad management. After 20 years of experience under the present law, H.R. 5610 would put this disqualification back in much more drastic form.

Although Mr. Loomis' letter repeats what the railroads constantly point out, that theoretically a person discharged from work could get sick benefits while

in jail, throughout all the years of testimony on this legislation, no one has produced a single instance of anyone drawing railroad unemployment benefits while in jail.

The other provision to which Mr. Loomis objects, the present disqualification for 30 days for voluntarily quitting a job or refusing to accept suitable work, has been in the Railroad Unemployment Insurance Act since its inception. Moreover, it is substantially comparable to the disqualification in most State unemployment insurance laws. H.R. 5610 would impose a much more stringent disqualification that would, for all practical purposes, permanently disqualify such employees for any benefits. To adopt this provision would further discriminate against railroad workers unfairly and in their hour of greatest need for these protections.

As a fifth objection, Mr. Loomis says that unless H.R. 1012 is amended as proposed by H.R. 5610—

> Persons who have not been in railroad work for as long as 2 years could collect sickness benefits from the railroad fund.

Note that word "could" again. This, again, is the railroads' familiar theoretical argument of alleged abuses that possibly could arise under the present act. But the need for this amendment is not borne out by 13 years of experience while the present law has been in effect.

Furthermore, to correct this nonexistent abuse, H.R. 5610 proposes to take away from all employees protection which they have had for 13 years. Under H.R. 5610 a furloughed employee of the railroads, who must be constantly available for recall at any time upon only a moment's notice in order to protect his seniority, but who works at a temporary job in another industry for 90 days and then becomes sick, would be cut off from any benefits for unemployment due to sickness. Such a provision, with its patent injustice, could only encourage employees not to take temporary work in other industries and would be a backward step.

Finally, Mr. Loomis lists the objection that under H.R. 1012 as originally introduced, a retroactive tax would have to be collected, whereas such retroactivity on taxes is eliminated by H.R. 5610. In his letter Mr. Loomis makes much of the unjustifiable effective dates proposed in H.R. 1012. I note that roughly one-quarter of his letter is devoted to this matter. Of course, this is entirely a misleading argument, because the effective date on tax increases is not a major issue here. The Senate committee has amended S. 226 to make all tax increases become effective in the future. Moreover, we may assume that H.R. 1012 would have been conformed in this regard by a majority of the House committee had it been reported out instead of H.R. 5610. Certainly, if this had been the only change made, it would have been accepted by all supporters of H.R. 1012.

In summary, the railroads have shown no valid justification for the new restrictions which H.R. 5610 would impose.

So we have an attempt to correct theoretical abuses in this second bill; we are not arguing about the increase of benefits here, but we are arguing about whether we should change longstanding conditions of employment on the basis of theoretical entirely unproved abuses. In my opinion we should adopt the substitute bill.

Mr. HARRIS. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I thank the chairman of the committee for yielding this time to me and I want to say that I am in support of the Staggers substitute which will shortly be offered. The amendments which he will also offer as a part of that substitute will bring the two bills closer together.

The reason I am speaking today in the well of the House, and I speak very seldom on legislation, is because the central railroad yards in Los Angeles happen to be in my district. I have many thousands of railroad employees in my district. A number of them have written me letters and they have all been in favor of H.R. 1012. None have supported H.R. 5610.

I have studied to find out the difference between these two bills. I have studied each of them carefully and it seems to me H.R. 1012 retains many of the proven features which are in existing law, while H.R. 5610, the committee bill, takes out some of those proven benefits, fringe benefits which have been considered by the employees to be part of their compensation. In several instances H.R. 5610 cuts down the fringe benefits. That is very important to people who plan their life career on contractual benefits.

We are talking about two things, as I see it, the unemployment fund and retirement benefits. We want to keep in mind the fact that the retirement benefits comes from a fund which is mutually contributed to by the employer and employee. On the other hand, the compensation for unemployment and sickness benefits comes from a separate fund to which only the employer contributes. This is not a factor of benevolence on the part of the employer. That is mandatory under congressional legislation.

And let us keep in mind that the amount that goes into that fund is a part of the basic cost of the operation of the railroad. It is deductible for tax purposes. It is also part of the basic expenses upon which the rate structure is founded. So it is not an action of benevolence on the part of the railroad. It is part of the law, it is part of the rate structure itself.

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

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has touched on what I think is a very interesting point and I would like to make this observation. The fact of the matter is whatever the railroads contribute has to be made up by any rates that the railroads charge. The gentleman said that, if I understood him correctly. Now, who pays those rates?

Mr. HOLIFIELD. The public.

Mr. HALLECK. The shippers using the railroads, the farmers and others and the cost of shipping is determined by those rates. I do not care whether it is contributed by the employee or employer, ultimately it comes out of the pockets of the people who use the railroads.

Mr. HOLIFIELD. That is true.

Mr. HALLECK. That is where the benevolence is.

Mr. HOLIFIELD. We have no quarrel on that point. The gentleman realizes what I have said is a fact. It is a part of the rate structure and the rates are based upon the cost of operation which includes this fund.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. An interesting point about that, though, is that when the contributions on the part of the companies into the fund were going down the rates to the public were going up.

Mr. HOLIFIELD. Yes. For the approximately 10 years from 1947 to 1956 the percent of contribution to this fund was lowered by act of Congress, undoubtedly with the agreement of both employer and employee. The railroads were given that reduction privilege but it was not reflected in reduced rates. The rates of the railroads have continually gone up.

I supported, as many Members of the House did, some legislation last year which provided some $600 million of aid to the railroads. Are we going to take it out of the hides of the employees in order to make up the benefits that we extended to the railroads last year?

Mr. HARRIS. Mr. Chairman, I yield myself the remainder of my time.

Mr. YOUNGER. Mr. Chairman, we have no additional requests for time and yield the chairman 5 additional minutes.

Mr. HARRIS. Do I understand that that then concludes debate on your side?

Mr. YOUNGER. Yes. We have no other speakers on this side.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to extend the remarks I am about to make as well as those I made earlier this afternoon, and I also ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. HECHLER. Mr. Chairman, I find a number of things to approve in the committee bill, H.R. 5610, but I hope that we can substitute H.R. 1012. There are provisions for increasing railroad retirement benefits, its necessary adjustment of the tax rates, and the increase in the daily rate of unemployment benefits in H.R. 5610. These things are largely the same as in the original bill introduced by many of us at the beginning of the session.

Where H.R. 5610 goes astray, in my views, is in cutting back on certain existing unemployment and sickness benefits—and, most especially, in dropping the proposal for regular extended unemployment benefits for the many senior employees now laid off by the railroads.

That is why I urge a vote for the substitute motion. Like the original bill that went into the committee, the substitute motion would provide a 13 or 26 week extension of unemployment benefits for these unemployed long-service railroaders.

Mr. Chairman, let us not forget that this is above all a human problem. There can hardly be a Member of this House who does not know at least a few of the railroaders who work in his district. We know the railroaders are good people. They are respected and responsible people. Many are highly skilled men. They have devoted years to acquiring their skills—as locomotive engineer, conductor, brakeman, station agent, telegrapher, signalman, and a score of other occupations.

But many of these skills are not easily transferable to other occupations. And that is part of the tragedy now facing many thousands of veteran railroaders.

For a number of years the railroads have been reducing their forces. In the past 2 years alone, they have let out over 170,000 men. This has particularly hurt our railroad workers in West Virginia. Partly this was due to the general recession. And H.R. 5610 wisely—though tardily—provides temporary emergency benefits to meet that immediate recession crisis.

But, Mr. Chairman, the railroad workers' crisis antedates the recession. It will continue long after the recession is over. We see that when we note how railroad traffic has picked up strongly in recent months, but railroad employment has risen hardly at all.

This continuing crisis can be summed up in one word: automation; or more broadly, technological progress. The Department of Labor announced the other day that productivity per manhour on the railroads rose by 55 percent between 1947 and 1958. Few other major industries can boast of more.

This record of increased efficiency on the railroads is a proud one. It is good for the railroads. It is good for the country. But what does it mean for the railroaders themselves? In all too many cases it has meant economic tragedy.

Most other industries over the years have found expanding markets. By that means, they have kept their labor force employed over the long run despite the rising productivity. But not so in the coal industry or on the railroads. Their markets, the demand for their service, has lagged behind the rest of the economy. So the railroad employees' increased productivity has meant more layoffs for themselves.

Year after year the railroad layoffs have grown, mounting higher and higher up the seniority rosters. Now we find thousands upon thousands of these highly trained railroaders, men with 10, 15, 20 years of service, discharged from their work and with no hope of regaining it.

Mr. Chairman, the substitute motion, unlike the committee bill, makes some small effort to help these long-service furloughed employees. The help offered is pitifully small, considering what these men have given the railroad industry and considering the readjustments they and their families must now go through. This, surely, is the least we can do for them.

Now, it will be said this is not only a human but also a financial question. And so it is. The few million dollars charged for these extra benefits will be paid by the railroad industry these men have served. Let us look at that aspect a moment.

Last summer, when the committee first reported out a bill like this one, the railroads were hard-pressed financially. The industry certainly let us know about that. And we in Congress acted to help the railroads. But at that same time, this bill as reported out by the committee last summer contained the extended unemployment benefit provision.

Now what do we see? The railroads today are in far better shape. Their operating profits in the last 4 months of 1958 rebounded to a yearly rate of more than a million dollars. So far this year, their profits are if anything still higher.

But what has the committee majority now done to the extended benefits for these hard-hit long service railroaders? It has dropped them. It has dropped them completely.

Last year, when the railroads were pinched, the committee voted for these benefits. This year, when the railroads are flush, the committee drops the benefits.

Mr. Chairman, this does not make sense, either humanly or financially. I urge a vote for the substitute motion, and this means a vote for H.R. 1012—a bill which will do justice to the railroad workers of West Virginia and of America.

Mr. GALLAGHER. Mr. Chairman, I have no doubt that Congress will take some action in the field of railroad retirement and unemployment legislation during this session. I hope very sincerely, however, that the action that is taken will be responsible and fair, and will reflect the careful consideration which our railroad workers deserve.

The bill introduced in the 86th Congress which best reflects this kind of consideration is H.R. 1012, which was introduced in the early days of the session. It is a bill that meets the just needs and demands of our railroad workers, and one which would lead to a well-balanced retirement and unemployment system.

This, to me, is ample reason for favoring passage of H.R. 1012 over H.R. 5610, the bill that has been reported out to us by the House Interstate and Foreign Commerce Committee, against the objection of a sizable minority of the members.

This reported bill, which does take into account certain basic needs of the railroad workers, fails completely in meeting other needs which are just as essential and just as pressing. If H.R. 5610 were passed, the railroad employee could look forward to having increased retirement benefits in his later years. He could also look forward to having slightly larger benefits when he is unemployed or sick. In these respects, the committee bill does have something to offer him. Unfortunately, this is not the whole picture. The increased unemployment benefits which I have mentioned, for example, can only be drawn for a very brief time. This arrangement may afford some consolation to the person who suffers a very temporary layoff, but it offers little comfort for the longstanding employee who loses his job for a very basic reason, such as technological advancement.

It is this employee, the worker who has devoted 10, 15, or more years of dedicated labor to the railroad industry, who I feel deserves some very special consideration from us. H.R. 5610 does not recognize the problems of the displaced worker. H.R. 1012, however, does have a provision which would help to protect him. The former bill would not grant him one additional day of unemployment benefits, regardless of the fact that long-term unemployment is a recognized problem of the railroad employee, who not only has to face the frighening increases in the cost of living that we all must face, but must also struggle against the insurmountable problem of employment fluctuation which exists in the railroad industry. H.R. 1012, on the other hand, would grant unemployment benefits for an additional 13 weeks for workers with 10 to 15 years of service, and 26 weeks for employees with 15 or more years of service.

There is no question in my own mind that this minimum protection should be given our veteran railroad workers. We owe them this protection, as does the railroad industry, itself. It is only fair that they be compensated in some way for the sacrifices they have made in their years of dedicated effort.

The omission of extended unemployment benefits for employees of long service is, then, a most serious defect of the bill reported to us by the committee. But there are a number of provisions included in the bill which evoke equally indignant criticism. These provisions are unreasonable and inappropriate, and in some cases constitute a 20-year setback for the railroad employee.

I refer especiallly to the elimination of benefits for persons who voluntarily quit their jobs or fail to accept suitable work, or who are discharged for misconduct related to their work. The supporters of these provisions have found it all too easy to give them a kind of righteous aspect, without really pointing out the grave injustice they may mean for many, many persons. It is clear to me that under H.R. 5610, which requires that an employee earn at least 20 days' compensation in the railroad industry before again becoming eligible for benefits, many workers could be permanently disqualified for benefits through no fault whatsoever of their own.

There are also a number of provisions relating to sickness benefits which are equally objectionable. Under the reported bill the number of compensable days of sickness would be reduced and restricted. The establishment of an ar-

bitrary time limitation on the compensability of days of sickness is another serious injustice in the bill, as is the elimination of maternity benefits and the establishment of several irrelevant and unfair disqualifications for sickness benefits.

I think we might all agree with the great words of Voltaire, who said: "Labor is often the father of pleasure." But whatever the inherent value of work, and regardless of the spiritual satisfaction which it gives us, I believe we must recognize that honest toil deserves its own compensation. I fear that the railroad worker would not be justly compensated, nor his rights sufficiently recognized, if this Congress passes the bill given us by the Interstate and Foreign Commerce Committee. I urge, therefore, prompt and wholehearted support of H.R. 1012.

Mr. ROOSEVELT. Mr. Chairman, I join in support of enactment of the substitute proposal because, after careful consideration of its provisions and those provided in H.R. 5610, I honestly believe it more nearly answers the needs of railroad workers. This is not to imply that there are not similarities in the two approaches, but there are important points of differences.

However, I do not rise to direct my remarks to a comparison of the two proposals, because this is being ably handled by my colleagues who have been associated with the work of the committee.

My purpose in rising is to urge that in the discussion of the specific matter before this body, certain misrepresentations should not be allowed to detract our attention from the issue before us; that is, should or should not benefits to railroad workers be improved? I believe if the discussion is channeled in this direction, and all the facts pertaining thereto are laid on the table, that this body will support improvement which present economic conditions warrant.

It would be unfortunate to entrap our consideration of this legislation before us by some of the extraneous propaganda that has been circulated by those opposed to any improvement in the retirement and unemployment and sickness benefits for employees of the railroad industry.

One would indeed be naive to think it merely coincidence or happenstance that the industry's "featherbedding" charges have been made in recent weeks. Nor should we accept fiction for fact regarding the profits of the railroad industry. By bringing in the claim that its earnings do not warrant increased benefits, I think the spokesmen for the industry will find themselves hoist by their own petard. By stressing this point, they have caused many of us to check into the actual facts, including the salaries and pensions allotted to their top officials.

I shall discuss the profit situation shortly, but at this point I do want to say that, in trying to defeat the legislation we are considering, the railroad industry latched on to the charge of "featherbedding" by railroad workers.

The Lincoln Star, a Nebraska paper, in refusing to accept as gospel the propaganda about alleged "featherbedding," gets to the heart of the matter. The editor points out that the railroad industry has made much of the "mileage" basis of pay under which "operating" employees can earn a so-called "day's pay" for 100 miles of travel. I now quote the editorial reaction to this:

> Mighty unfair, you are likely to surmise. That is the way the railroads would like to make it look.

The editorial goes on to note:

> But they neglect to point out that in the course of a week's work at such short runs, a train crew will be away from their families for up to 100 hours a week. Thus, the employee has not given just 8, 10 or 12 hours a week to the railroads, but 100 hours. He does this because his run ends away from home and he remains at this place until he takes a run back home.

And the editorial concludes:

> In all, the railroads are not presenting the entire picture or a true picture. Until they do this, their motives in this field of labor relations will and should be held suspect.

Now, as for the matter of profits of the railroad industry, I think it should be emphasized that while the industry claims it cannot afford additional benefits for ts workers, management costs per employee have risen. Between 1955 and 1957, 190 new officials—for the industry as a whole—were added, although the number of other employees declined from 1,041,792 to 969,737. During this same period, the total outlay for officials' salaries increased by more than $21 million, reaching the impressive total of over $180.9 million annually. These figures are based on the earnings of the top five officials and others earning over $20,000 a year.

The real burden of the recession has fallen on the workers in the industry. While industry representatives have cited monthly deficits in early 1958, it should be pointed out that in the latter months of that year most of the carriers overcame these deficits and net profits were realized for the entire year. In the final accounting, only 17 railroads failed to earn their fixed and contingent charges for 1958.

The point that should not be overlooked, Mr. Speaker, is that almost all individual railways have shared in the industry-wide comeback since the early months of 1958. Earnings of most carriers are above the last months of 1957 and close to the high of 1956, with some carriers actually surpassing the 1956 level.

Yet, in spite of this pickup, which I certainly do not begrudge, but am pleased to see—we are still faced with heavy layoffs of workers. This makes the need for strengthening the unemployment program for railway workers a most necessary responsibility of this Congress.

Mr. Speaker, I shall not recite the profit figures for the industry because I am aware of the fact that virtually every Member of this body has been furnished, through one source or another, with the statistics. But I shall attach at the end of these remarks the record of one railroad in my part of the country which speaks for itself.

May I conclude by mentioning that a comparative study shows that the railroad industry's allegation that the Railroad Retirement and Unemployment Insurance Systems are the most generous in any industry and are the most costly to any industry, does not jell with the facts. Mr. Speaker, I believe the facts in the case are on the side of the employees of the railroad industry and I urge my colleagues to support a realistic and justified approach in this matter.

FACTS AND INCOME OF SOUTHERN PACIFIC TRANSPORTATION SYSTEM

The Southern Pacific System had outstanding, as of December 31, 1957, 9,047,122 shares of stock with 71,873 stockholders.

In 1957, the system earned $5.16 per share and paid in dividends $27,141,366.

The company had a 2 for 1 stock split, effective August 8, 1952. The dividends paid per share of stock in 1952 after the split was $1.50; in 1953 and 1954, $3; in 1955, 1956, and 1957 was $3, and $3 in 1958. The price range of the stock in 1957 was a high of $46⅞ to a low of $33.

The system had in 1957 a net income after all charges of $46,645,377.

Though 1958 was a recession year, the Southern Pacific System had a net income of $47,100,000; earned $5.20 per share and paid $3 dividend per share.

The total assets for the system operating in the United States were in 1951, $1,973,682,511 and in 1957, the assets had increased to $2,298,198,134.

The system operated 13,621 miles of track in 1957 and the net income per mile of track was $3,768, as compared to $3,102 in 1958.

The net income record for the system for the years 1949 to 1958, inclusive, is as follows:

Net income

Year:	*Million*
1949	$30.5
1950	50.8
1951	46.0
1952	61.9
1953	57.9
1954	44.4
1955	51.6
1956	46.5
1957	46.6
1958	47.1

The system earned per share of stock in 1949, $3.61 as compared to $5.20 in 1958.

The net income for the months of January and February 1959, was $7,591,880, as compared to $6,984,233, for the same period in 1958.

Carloadings for 3 months of 1959 are up 10.9 percent over 1958.

In 1957, the system had 645 executives and 53,389 employees; an increase of 32 executives and a decrease of 11,165 employees as compared to 1948.

Income accounts of the Southern Pacific system

Total operating revenue	$663,492,930
Total operating expense	532,130,718
Net railway operating revenue	131,362,212
Federal income tax	5,732,895
Payroll tax	23,148,740
Other railway taxes	25,798,452
Railway operating income	76,682,124
Net equipment and facility rents	22,847,119

Income accounts of the Southern Pacific system—Continued

Net railway operating income	$53,835,005
Other income	22,368,031
Gross income	76,203,036
Miscellaneous rents	76,177
Miscellaneous tax accruals	1,023,348
Miscellaneous charges	3,352,574
Balance for fixed charges	71,750,937
Fixed charges:	
Interest on funded and unfunded debt, etc., total fixed charges	25,105,560
Net income	46,645,377

The total operating expense of $663,492,930 includes $37,321,458 depreciation allowance which is charged against operating revenue and is available to company for any purpose.

Mr. GRAY. Mr. Chairman, in rising to urge passage of the substitute motion on H.R. 5610, I want to stress above all one thing: This substitute is a very moderate measure,

It is moderate in the sense that it gives far less than the railway brotherhoods were asking us for last year. It is moderate in comparison with other measures being requested by organized labor. It is moderate in that the railroad industry can surely afford it. It is moderate in the sense of wise statesmanship, of calming in advance what might develop into a cause of industrial strife.

The substitute measure differs chiefly from H.R. 5610, the committee bill, in two things. First, the committee bill rips out or cuts down various long-established benefits in the railroad unemployment and sickness insurance system. The substitute leaves these benefits unchanged.

Second, the committee bill provides for no regular extended unemployment benefits for long-service railroaders. The substitute does so provide. It would give unemployed railroaders with 10 to 15 years of service an extra 13 weeks of benefits, and those with 15 or more years of service an extra 26 weeks—but only, of course, if they have been unable to find work.

In contrast, the bill urged on us by the railway brotherhoods last year would have provided extended benefits for as long as 4½ years in some cases. Thus the present substitute is far more moderate.

Moreover, can anyone among us dispute the real need for such extended benefits? These veteran railroaders laid off due to the technical progress in their industry surely deserve sympathetic attention and help as they and their families strive to find new and different work.

This provision for extended benefits is moderate also, I say, if you compare it with the standards being asked of us by organized labor in the general Federal-State unemployment insurance setup. There, as Members know, the demand is for uniform Federal standards of 39 weeks of benefits for nearly all of the unemployed.

For the railroad workers, this substitute would not provide anything like that. The great bulk of the unemployed railroaders—those dropped first, the ones with less than 10 years' seniority—would get no regular extended benefits. Only those with 10 to 15 years' seniority would get the regular 39 weeks of unemployment benefits. And only those with 15 years or more of seniority—who tend to be the most desperate cases because of their age, their family responsibilities and their specialized experience—would draw any further benefits beyond that. Thus this substitute measure is tailored to need—and very moderately so.

As for the railroads' ability to pay, I find one thing rather odd. Last summer, when many of the railroads were suffering financially from the recession, the committee reported out this bill with the same extended unemployment benefits now contained in the substitute. Clearly, the committee then felt the railroad indusry could afford to pay.

But what do we see now? In recent months, with the economic recovery, the railroads' operating profits have soared to a rate of more than a billion dollars a year. The profits now are far higher than last summer. And these profits, let me remind you, are being made very largely through the same technical advances that have caused the layoff of so many veteran railroaders. Certainly, out of a billion dollars a year profits, the industry can afford to pay the $25 million or so needed for these extended benefits to their veteran employees.

Let me now turn very briefly to the question of statesmanship. The mark of statesmanship is to look ahead. In the present case, it appears quite clear that if we in this House do nothing about extended unemployment benefits for the railroaders, this issue will inflame labor-management relations in the industry. As we know, the labor contracts on the railroads will be reopened next November 1. I know all of us here hope there will be a peaceful settlement. By our action in this House today, I feel we can in some measure contribute to that.

For all these reasons, I suggest that the course of moderation, of prudence and of justice is to pass the substitute motion.

Mr. O'HARA of Illinois. Mr. Chairman, it was a great disappointment to me when an objection voiced by one Member of this body in the closing hours of the 2d session of the 85th Congress prevented the doing of simple justice to the great army of railroad workers of the United States, those in retirement after long years of service and those still at work.

With many other Members I left the Chamber of the House on the adjournment of the 85th Congress with the firm resolution that come the 86th Congress, and very early in the session, justice and decency would be done these railroad workers.

During recent weeks I have received hundreds of letters on the subject from my constituents, and to each letter I have replied that I regarded it as the decent and the right thing to do when this proposed legislation reached the floor of the House to vote for an amendment substituting H.R. 1012 for H.R. 5610 and then to vote for the bill thus amended.

I am voting for the substitute in the Committee of the Whole. I am certain that the amendment substituting H.R. 1012 will be carried because I think I know the sentiments of the great majority of my colleagues and that it is not in their hearts to turn thumbs down on the men and women who work on our railroads.

Mr. Chairman, this is legislation long overdue. I am certain the Committee will amend the bill as it should be amended and then the House will pass the measure by an overwhelming majority.

Mr. BLATNIK. Mr. Chairman, the needs of the Nation's hardworking and loyal railroad workers have been ignored and shunted off to the side long enough. Today we have the opportunity to make up to them the great disservice done them last year by the failure to enact the type of bill before us today. Failure to increase railroad retirement annuities and extend unemployment benefit payments last year was especially unfair when you take into consideration the fact that social security benefits were increased, regular unemployment compensation benefits extended, and, ironically enough, the railroad industry itself was given substantial assistance under the Transportation Act of 1958.

I recall the many letters, postcards and telegrams I received from laboring railroad men and women in support of legislation to provide assistance for their industry from the Federal Government. They pitched in when they were needed by railroad management and then watched while their own small requests for a better life were ignored and finally defeated. We have a great deal to make up to these people and we can do it today by restoring the original language of H.R. 1012 as a substitute for H.R. 5610.

The argument has been made, and I am sure will be heard again, that the differences between the two bills are slight. The first two sections of the bill are, for the most part, identical, it is true. They both increase annuity benefits by 10 percent. They both increase the wage base to $400 per month. They both increase the tax rate to finance the system. However, H.R. 1012 makes these increases retroactive back to January 1, 1959. H.R. 5610 contains no such retroactive feature. Actually, Mr. Chairman, I believe these benefit increases should be made retroactive back to the day this House failed to pass a similar bill last year because of the objection of one Member of this large body. Because of a parliamentary maneuver thousands of people were denied increased annuity benefits and extended unemployment benefits which were so badly needed during the winter recession of 1958. Why should they be penalized as they are under H.R. 5610? Three months of additional benefits is not a small thing to many people. By adopting the provisions of H.R. 1012 as a substitute for H.R. 5610 we would assure that the railroad worker would not bear the full brunt of our failure to enact this type of legislation last year.

The main differences between H.R. 5610 and H.R. 1012 occur in section 3, dealing with the unemployment and

sickness insurance programs. The provisions of H.R. 5610 are totally inadequate and callously disregard the needs of the railroad worker. The more liberal provisions of H.R. 1012, on the other hand, represent a realistic attempt to help and improve the lot of the railroad worker. The extension of temporary unemployment benefits of 13 additional weeks to all employees, as provided in H.R. 5610, is totally inadequate. It ignores the problems of automation and the older employees. I agree wholeheartedly with the minority report on H.R. 5610 which states that the provisions of H.R. 1012 with regard to extended periods of unemployment insurance protection "represent the very minimum of extended benefit protection that is required." And this is especially true of the veteran employee with many years of service who suddenly finds, as pointed out in the minority report, that his particular skills are no longer needed or needed only in greatly reduced numbers. The Congress faced the fact that peculiar problems of the railroad industry justify Federal assistance that is not made available to many other industry groups. We must also face the fact that railroad employees, too, have peculiar problems requiring specific treatment by law. H.R. 1012 meets this need by providing a temporary extension of benefits of 13 additional weeks to employees with less than 10 years of service, a permanent extension of 13 weeks to employees with 10 to 15 years of service, and a permanent extension of 26 weeks to employees with 15 or more years of service. This difference between the two bills is another reason why H.R. 1012 should be enacted rather than H.R. 5610.

There are other differences also, Mr. Chairman. The elimination of maternity benefits under H.R. 5610, the reduction in the number of compensable days of unemployment due to sickness and other backward-moving, untimely changes in the Railroad Retirement System which are not contained in H.R. 1012. These differences are substantial. They cannot be passed off as mere minor differences. To adopt H.R. 5610 would be unconscionable. I urge the House instead to substitute in its stead the provisions of H.R. 1012.

Mr. McGOVERN. Mr. Chairman, I am the sponsor of H.R. 4935, a measure identical to H.R. 1012. It was the original bill before the committee, calling for improved railroad retirement benefits. It is my earnest hope that the Congress will accept this legislation as a substitute for the subsequent committee bill now pending before us. It seems to me that H.R. 1012 and the similar measures introduced by myself and other Members of the Congress will give much-needed protection to the railroad workers of the Nation.

Last year, we moved to give substantial benefits to the railroad industry as a whole. We failed in our efforts to pass needed improvements in the railroad retirement program. I hope that we will delay no longer the passage of this legislation, which is designed to bring a greater measure of security to the working men and women and their families in our railroad industry.

Because of its more realistic and more helpful range of benefits to the men and women of railway labor, I urge the passage of H.R. 1012, the substitute measure now being offered by the gentleman from West Virginia [Mr. STAGGERS].

I am pleased to learn that the other body has acted favorably on similar legislation.

Mr. PUCINSKI. Mr. Chairman, I join with those of my colleagues who are today waging this militant effort to substitute H.R. 1012 for the bill affecting the Railroad Retirement Act recommended by the commitee to this Congress.

I have studied the committee's bill, H.R. 5610, and find that it will not bring the desperately needed help which this Nation's thousands upon thousands of railroad workers so urgently need if they are to survive in this great wave of inflation.

I am certain that enactment by this House of H.R. 1012 will go a long way in helping not only the retired railroad worker, but also the thousands of railroad employees whose jobs are being cut out from under them through ever-increasing automation of the railroads.

The arguments of those who oppose H.R. 1012 are most unconvincing when you consider the great misery which is being suffered, particularly by those Americans who are being eliminated from their work by the railroad industry. Opponents of this measure claim that it will bring undue financial hardships on the Nation's railroads, but this claim is not consistent with the profit reports of the Nation's railroads.

I think that we must all face up to the bitter truth that when a railroad employee is severed from his job because of automation, his chances of obtaining employment in other industries is virtually nonexistent. The railroad worker is trained for a specific job in the railroad industry and his chances to find similar employment in other industries are practically nil, particularly since most of those being eliminated from their jobs are older people.

It is for this reason that I strongly urge upon this Congress the extension of unemployment compensation payments provided in H.R. 1012.

Unless we help the retired railroad worker as well as those faced with elimination of their present jobs because of automation, we will be placing a large number of our American citizens into the untenable position of not being able to survive. It is for this reason that I join in supporting the substitution for the committee's recommendation, and urge adoption of H.R. 1012.

Mr. KASEM. Mr. Chairman, I rise in support of the amendment to H.R. 5610 offered by the gentleman from West Virginia [Mr. STAGGERS]. I would like to urge all of my colleagues to heed the extremely discerning remarks of my colleague and good friend, the gentleman from California [Mr. HOLIFIELD] and adopt them as my own.

Mr. RHODES of Pennsylvania. Mr. Chairman, first I want to commend the gentleman from Arkansas for his leadership as Chairman of the Interstate and Foreign Commerce Committee, which considered this legislation. As a member of that Committee I have always found the gentleman to be fair, considerate and cooperative.

He introduced the original bill on this legislation, H.R. 1012, and I intend to vote for that bill as a substitute for H.R. 5610, which seriously weakened his original proposal.

Mr. Chairman, every Member of this House, I believe, feels that improvements in the Railroad Retirement and Railroad Unemployment Insurance Act are long overdue. Our Committee has held extensive hearings on this problem in recent years.

Evidence presented in the last three Congresses clearly shows that retirement benefits have lagged behind the cost of living, forcing many thousands of retired railroad workers, their spouses, and dependents to reduce their standard of living.

Unemployment in the rail industry has likewise imposed severe economic hardships on railroad employees, many of whom have been unable to obtain even part-time work because of overall unemployment and job discrimination based on age.

Two years ago our committee considered legislation—H.R. 4353—to improve this situation. Spokesmen for the railroad industry opposed enactment of bills to liberalize the present Railroad Retirement and Railroad Unemployment Insurance Acts on the grounds that it would be too costly in view of their weak economic position. Action on H.R. 4353 was delayed by our committee because of certain amendments it would make in the Railroad Retirement Tax Act. These sections were subsequently considered separately by another committee having primary jurisdiction.

Meanwhile, Congress took up the bill to provide Government-guaranteed loans to the railroad industry for capital expenditures and maintenance operations. Amendments to the Interstate Commerce Act were also proposed to help the railroads achieve a better competitive position with other forms of transportation. With the help of railway labor, this measure was enacted as the Transportation Act of 1958. The 3 percent Federal excise tax on freight was also repealed by the 85th Congress to bring direct assistance to the rail industry.

The industry opposed the retirement bill when it was subsequently reconsidered, despite the assistance they received from railroad employee unions and retired railworkers in helping to pass the Transportation Act. The retirement and unemployment insurance bill was killed in the final hours of the last Congress after a series of complex parliamentary moves failed to bring the measure before the House for action.

Early this session new bills were introduced to provide these long needed improvements in the Railroad Retirement and Railroad Unemployment Insurance Acts. Identical bills, H.R. 1012 and S. 226 were introduced and brought to early hearings in both our committee and the Senate committee.

This bill did not cover new ground, nor did they contain provisions beyond the scope of what previous hearings showed was necessary and equitable. It would increase all monthly retirement benefits by 10 percent, retroactive to January 1, 1959. This was the date on which the bill in the last Congress would have become effective. Women employees and the wives of retired railroaders would have the privilege of electing to receive an annuity on a reduced basis at age 62, a provision already in the social security law. Two one-half percent increases in the tax rate on both employers and employees—on January 1, 1959, and January 1, 1962—would assure that the retirement system was continued on a sound actuarial basis.

It would also bring unemployment compensation provisions up to a realistic level by extending duration and benefit rates, while adjusting the tax rate to balance the railroad unemployment insurance account.

Despite their vastly improved economic position, the railroads continue to oppose this legislation. During committee consideration of H.R. 1012 certain amendments were adopted which I feel do grave damage to the present unemployment insurance system. The bill before us today, H.R. 5610, contains these drastic backward steps which eliminate many benefits in effect for many years. It also eliminates the retroactive payment of the increased retirement benefits.

Mr. Chairman, I opposed these weakening amendments in committee and when they prevailed, joined in signing the minority report. H.R. 5610 is not an adequate approach to the needs of retired railroad workers, their families, and survivors. Nor does it treat fairly the unemployed rail workers, who are bearing the brunt of employment cutbacks in the industry. Total employment on class I railroads has dropped from 1,043,477 in 1956 to less than 840,000 today—a decline of some 200,000 workers in little more than 3 years.

Much of the argument against the original bill—H.R. 1012—is based on the alleged "poverty" of rail carriers in this country. But a look at their financial structure in reports to their stockholders shows a much different picture.

An Associated Press story on April 10, 1959, quoted the Association of American Railroads estimate that net income of class I rail carriers for January and February 1959 was $40 million. The AAR said that in these first 2 months of the year, operating revenues rose 4.1 percent, while operating expenses increased only 0.3 percent.

As was pointed out in testimony before the committee, estimated net income for class I railroads for 1958 was almost $600 million, despite the lingering effects of the business recession. This is more than their income in 21 of the 38 years since 1920, which, of course, includes the World War II years.

Moreover, the "poverty" plea is more than somewhat dimmed by an analysis of the pyramiding payroll of railroad executives during the 1955–57 period. While the total railroad employment was declining by 72,000 during this period, railroads were adding more than 200 executives and total management pay increased by almost $22 million.

The president of one railroad will receive more than $63,000 a year in pension when he retires. Retired presidents of three other railroads now receive pensions of $36,851, $25,000, and $28,813. All are paid by the carriers. These carriers oppose improvements in the railroad retirement system, although they meet only half the cost of the average yearly benefit of $1,440 now being paid their employees.

We hear much these days from industry sources to the effect that higher wages or fringe benefits for workers should be accompanied by increased productivity.

Only last week the U.S. Department of Labor released its official findings concerning productivity gains in various industries which show that railroad labor's output has increased faster in recent years than that of workers in any other industry. If increased productivity were the only basis on which improved retirement benefits and unemployment insurance benefits were to be based, the Labor Department report alone is justification for enactment of the original provisions of H.R. 1012.

Mr. Chairman, only by voting to substitute the original language of H.R. 1012 for the bill as reported by our Committee can we keep faith with the retired and unemployed railroad workers of this Nation. I urge my colleagues on both sides of the aisle to support efforts that will be made to substitute H.R. 1012 for the committee bill.

Mr. DULSKI. Mr. Chairman, I rise in opposition to the proposed railroad unemployment insurance program as proposed in H.R. 5610. At this time of heavy unemployment a majority of the House Interstate and Foreign Commerce Committee has seen fit to vote a number of crippling amendments to the Harris-Bennett bill which was introduced at the beginning of the session for the purpose of providing long overdue relief to unemployed and retired railroad workers and their families. Amendments made by the committee have been declared entirely unacceptable by 23 standard railway labor organizations.

I further state that the amendments made by the committee are a radical assault upon basic principles of social insurance which, in some cases, have been accepted as national policy since the enactment of the Railroad Unemployment Insurance Act. Principles which have prevailed for as long as 20 years clearly should not be wiped out without cause and no adequate reason for this action has been advanced.

The need today, when so many railroad workers are unemployed, is for legislation which will improve not decrease aid to the unemployed and ill among railroad employees. Instead the committee proposes to take away from these unfortunate many of the social insurance provision they now have.

The committee bill, I say, will eliminate entirely provisions in H.R. 1012 for extended unemployment insurance benefits for veteran railroad workers who are being displaced permanently through technological changes and changes in operating methods.

These workers, including many with 10, 20, and even 30 years of service, cannot readily get other employment. The modest proposals made in the Harris-Bennett bill to extend the time they are entitled to unemployment insurance benefits already represents a great compromise on the part of the railway labor organizations which agreed to accept them in the hope of expediting action to relieve the growing distress of railroad workers and their families at this time when record unemployment has hit the industry.

Other provisions of H.R. 5610 would eliminate or drastically restrict existing benefits both with respect to ordinary unemployment and unemployment due to sickness that have been available under existing law for from 13 to 20 years. These retrogressive steps must be prevented so that needy railroad workers will get additional not less help at this time of higher living costs.

H.R. 1012 is the identical bill which passed the Senate last year. It must be remembered that in failing to complete action on this legislation last year, Congress has already unfairly discriminated against the needy of the railroad industry, since it did not neglect to pass special legislation to aid unemployed and retired workers in other industries while voting no aid to railroad workers facing unemployment at one of the highest levels in the history of the industry. This is all the more unjust to these workers because Congress last year did find time to enact legislation giving considerable financial and other aid to the railroads which employ them. We must not forget that people should come first.

The disqualification provision and other changes which the committee wrote into the legislation this year would cost the railroad workers an estimated 30 million annually in benefits provided in H.R. 1012.

Mr. BREEDING. 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 Kansas?

There was no objection.

Mr. BREEDING. Mr. Chairman, there are several sections in the bill before us, H.R. 5610, which I heartily endorse. But there are other sections in this measure which seem to me nothing more than a slap in the face to a group of highly worthy people. I refer to the railroad workers of America.

Turning to the railroad retirement sections of this bill, I think most of us in this Chamber would support them. The increase in benefits are urgently needed by these good folks. The tax aspects will provide the required financing both for the present increase and for an increase voted 3 years ago. These parts of H.R. 5610 are both socially desirable and financially sound.

So too, I believe, are the provisions for raising the ceiling in the daily rate of

unemployment benefits for our railroad men and women. With the general rise in prices and wages in recent years, the existing ceilings have fallen far behind the times.

So much for the good sides of this bill. But what else do we find in it? We find some most extraordinary provisions which would deprive various sick and unemployed railroad men and women of certain benefits they have long enjoyed.

Gentlemen, these benefits have been written into the law in some cases since 1946, in some cases since 1938. Yet the measure here before us would cast them out.

When we look over the length and breadth of our land, when we think each one of us of the fine railroaders we personally know, when we consider that fully 170,000 of these good people have been thrust into unemployment in the past 2 years alone—then can we here truly intend to cut back, to curtail, to abolish certain of their long-held benefits.

Now, it is said abuses are possible under some of these established benefits. Railroad lawyers before the committee presented lots of technical arguments. And who could deny that a few small cases of abuse are possible under any legislation that we here in Congress have passed?

That is not the crucial question here. The crucial question is, Shall we tell railroaders now walking the streets unemployed, "You counted on these benefits. They have been in the law for years. But now you shall not have them"?

No; I urge you, gentlemen, let us not do that. And further, let us do at least something positive for the tens of thousands of long-service railroaders now thrown on the technological scrap heap due to their own industry's progress.

Let us say to the railroad industry: "We salute your technical progress. It is a fine thing. But you should also meet at least a small part of the human cost of this progress by paying reasonable unemployment benefits to your laid-off, long-service employees for a short additional period."

This is a moral charge on the profits of the railroad industry, gentlemen. Should it not be, in some slight degree, a financial charge as well?

It will be said that my friends and I are arguing against these parts of the committee bill. So we are, against this year's committee majority bill. But last year, gentlemen, the committee reported out a bill that did just what we are now urging. Last year's committee bill did not cut back existing benefits. Last year's committee bill did provide for modest extended unemployment benefits, as we now ask.

Yet last year, when that committee bill came out, the railroads were showing sharply lower profits. Recently, in contrast, their operating profits have been running at many more thousands of dollars a year.

I urge upon you that the need is great. Let us here modify H.R. 5610, as I have suggested. Let us help bring joy, not sorrow, to the railroad homes of America.

Mr. KARTH. Mr. Chairman, there can hardly be a Member of this House who does not have at least several hundred railroad workers and railroad families living in his district. Most of us, I think, know personally at least some of those railroad folks back home. They are by and large fine people. They are pillars of their communities. And judging by my mail and that of other Members, I can well believe that 99 percent of these good folk are intensely interested in the legislation before us today.

Why is that? Basically, it is because the railroaders for several years have been undergoing very tough times. Several hundred thousand retired railmen and their wives find themselves ground between their modest retirement annuities and the rising cost of living.

Over the past 2 years more than 170,000 railroaders have been laid off from their jobs—and virtually none have been rehired. Meanwhile, the 860,000 railroaders still at work ask themselves, Will I be next to go? Because the crisis in railroad employment, gentlemen, is not a matter of the recession alone. It is a matter of long-term technological trends. In a word, of automation.

As for the railroad companies, a year ago the profits of many of them were down sharply. They appealed to Congress for help. Congress gave them help. By the end of 1958, however, with rising traffic, the railroads' earnings had rebounded so sharply that their operating profits were running at over a billion dollars a year.

Last year Congress gave help to the railroads. Now finally, with H.R. 5610, we turn to the question of help for the human side of the industry. And how well does H.R. 5610 provide that?

In providing for increased retirement benefits, I think most members will agree that H.R. 5610 does what it should. It also provides the needed retirement financing. Another good aspect, is the long-overdue rise in the daily benefit ceiling for railroad unemployment benefits.

But what about the other things in H.R. 5610? First, we find that it would cut back, curtail, and even abolish certain types of unemployment and sick benefits long written into the law. For example, it would abolish completely the 13-year-old system of maternity benefits for women railroad employees.

Now is that not an astonishing thing? We set out to help the human side of the railroad industry—and believe me, gentlemen, hundreds of thousands of them desperately need our help. But instead this bill proposes to hurt, not help, many of them.

The second astonishing thing I find is something left out of this bill. It was not left out of the bill reported by the committee last year. It was not left out of the bill passed by the other body last year. It is not left out of the bill now being debated, I understand, in the Senate chamber. It is left out of the measure here before us today.

I refer to the provision for a regular extension of unemployment benefits for long-service laid off railroaders, for maximum periods of 13 or 26 weeks. That provision is no longer in the bill. And it should be. It most certainly should be.

We now have tens of thousands of these veteran railroaders thrown out on the sidewalks. They have no hope of getting back in their industry. They are skilled men, but their skills are railroad skills. These are not the young footloose fellows we are proposing to help. These are not the fellows who may enjoy being jobless a while. These are veterans workers, fathers of families, men with 10, 15, 20 years seniority, trained in the railroad industry. Now they are thrown aside, due to the rising productivity of their own industry. I agree every American is not entitled to inherent economic security, but he is entitled to a job to provide his own economic security.

Do the railroads have no responsibility to help these men in their readjustment? Must the full cost of technical progress be borne solely by the employees?

The railroads do have a responsibility. And they can well afford the slight extra cost of the modest extension of benefits proposed for these discarded veteran railroaders. Only a tiny portion—perhaps $25 million a year—is involved in this proposal, out of the railroads' billion dollar a year profits.

Let us restore these parts of the bill to the way the committee reported them last year. Even then, the measure would be modest enough. But it would then be a real help, not a disappointment, to the human side of the railroad industry.

If, however, the railroad industry should need additional help—and I agree this is logical and perhaps necessary—I will be most happy to join hands with those who seek to enact reasonable legislation designed to accomplish this end, if it not be at the expense of the employees.

Mr. FLOOD. Mr. Chairman, we are called on to choose between the committee majority's bill, H.R. 5610, and the substitute motion offered by my friend, the gentleman from West Virginia. One of the chief differences between the two measures, as others have pointed out, lies in the question of extended unemployment benefits for long-service railroaders.

The committee bill omits such benefits completely. The substitute would provide them, but in sharply reduced fashion from what our friends in the railway brotherhoods were asking for last year. The railroad workers are not getting all they wanted in this substitute. I would like to bring that out.

The original bill the brotherhoods were asking for in 1957 and 1958 provided extended benefits, for long-service unemployed railroaders, of up to 4½ years. The present substitute provides just 13 weeks of extended benefits for jobless railroaders with 10 to 15 years of service, and just 26 weeks for those with 15 or more years of service. That is quite a comedown from 4½ years. This substitute proposal is a very moderate proposition.

Gentlemen, there is no doubt of the need, the crying need for these benefits. You know and I know what type of men

these long-service railroaders are. They are not the fly-by-night type of young fellow who flits from one job to another. They are fathers of families, homeowners, the solid foundation of our communities around this Nation.

And now scores of thousands of these long-service railroad workers, through no fault of their own, find themselves thrown out of their long-held jobs and with very little prospect of getting them back. Somehow they must readjust. Somehow they must retrain themselves, find other work. If they can do this within 26 weeks, the present maximum for unemployment benefits—why, fine. They then would draw no more benefits in any case.

But where the new job takes longer to find, then we, by this substitute motion, say to the railroad industry that it should pay extended benefits for a short additional period to these jobless men who have served the railroads so long.

Now, there is talk that these extended benefits are nothing more than a disguised form of severance pay. Why do not the railway brotherhoods go to the railroads and bargain for severance pay, as happens in other industries, it is asked.

Let me assure you, these extended benefits are no severance pay. And here are some of the differences: Severance pay is a matter of right, on leaving a job. The worker gets it no matter what he does afterward. It does not depend on his finding or not finding another job. But these unemployment benefits cease the moment the recipient finds new work.

Second, severance pay is usually paid out in a lump sum. Unemployment benefits are paid from week to week. Third, severance pay is tied to service with one company and is paid directly by that company. Unemployment benefits are not. There are other differences, too. But these major distinctions make it plain that the extended unemployment benefits in this motion have nothing to do with severance pay.

Now, what about this advice that the railroads apply directly to their own industry for these extended benefits? Superficially, this is a plausible idea. Unions in the auto industry, the steel industry, and others have won supplemental unemployment benefits by doing that very thing. But how did those unions win their benefits? By a strike, or the threat of a strike.

In the railroad industry, on the contrary, it has been the policy of Congress to put special blocks in the way of railroad strikes ever since we passed the Railway Labor Act back in 1926. We have imposed on the railway brotherhoods a whole series of special delays, meditations, emergency factfinding boards and so on, to avoid railroad strikes. We have imposed these restrictions on economic conflict in the railroad industry for a good reason. We know a nationwide railroad strike would soon slow our economy to a standstill.

What would it mean, then, if we now say to the railroad workers: Do not look to Congress to give you any extended unemployment benefits. Imitate your brothers in autos, in steel. Go after these benefits directly from your industry.

Gentlemen, that would be nothing less than an invitation to a railroad strike. It would be a reversal of our whole national policy for 33 years. Because it is most abundantly clear that the railroad industry would resist such a demand. They are resisting it here in this House. They would resist it over the bargaining table.

This substitute motion, I repeat, is a very modest measure. It gives no more than simple justice. Indeed, it gives less. It is a measure of the wisest policy. I urge its adoption.

Mr. WEAVER. Mr. Chairman, to some few in America inflation is still a meaningless thing talked about by economists and politicians. By some, inflation is used for personal or partisan advantage as a political football. To a great many thinking Americans, inflation presents a potential danger to their Nation's future. But, Mr. Speaker, to a small group, those who must live on a fixed income, inflation is a terrible burden which accompanies them to bed at night and causes a restless sleep, which awaits them upon awakening and which sits beside them throughout the dreary days. To these, inflation is a nightmarish reality, and one which presses them close to the point of desperation.

It is for these people, or, at least a portion of these people, that we act today. It is for these people who have lived with inflation, or, perhaps I should better say, who have existed with inflation, I plead today.

The men and women who, for most of their useful lives, have worked on our railroads, and who retired some years ago to enjoy their declining years, need our help. The money which has so long been set aside under the Railroad Retirement Act is no longer adequate to care for their needs.

These people have come to us to ask our help. The railroads which employed them have agreed unanimously that their need is desperate and should be considered. I have not heard one man, either working on the side of management or on the side of the railroad workers, say that there is no need for a pension increase. Only the vehicle by which it was to be provided has come under question. Those questions, for better or worse, are now resolved. The only question remaining before us is whether or not to provide the 10 percent increase in pensions these men and women need and so fully deserve.

I ask all Members of this House to support this legislation. I most strongly urge its passage.

Mr. HARRIS. Mr. Chairman, I think we have had a very hearty and helpful discussion on this subject. As I tried to point out earlier, it is a highly complicated problem to understand. I appreciate the way that this debate has been carried on. Only in one or two instances has there been just barely a small flareup. It has been a very healthy debate on the subject.

Mr. Chairman, I do not think that we could say that any Member of this Congress wants to take anything away from anybody. I think the effort has been made by most everybody to try to work out something that will give benefits to those railroad workers who are entitled to them. I point out again that there is no controversy over the retirement provisions. Everyone is agreed on those. I do not know just what the substitute is going to include. I did not seem to get much out of the debate thus far, but the best information I have is that the retirement benefits and the increase in the amounts to be paid by employer and employee into the retirement fund are generally in accord. So, that leaves only in controversy the unemployment features of the bill. Now, I tried to point out to you earlier the five principal differences between what the original bill, H.R. 1012, included and what this bill, H.R. 5610, includes. The committee turned down, I suppose, some 12 or 15 rather important and major amendments that were proposed at that time. So, I think it is a very healthy thing that we have this matter narrowed down to this point. Each one of us has to decide in our own mind what we think is right. It is your own conscience and mine as to what we decide on this particular problem. We have to decide whether or not we are going to increase, again, the unemployment taxes to be paid by the railroad industry and thus, ultimately, by the people of the country. To me there is a limit. If you look at the experience of the unemployment insurance fund in the last few years you will, as I, have a very uneasy feeling that something is about to happen.

As I tried to point out this morning there is less than $50 million in the fund now and I understand the fund will have between $30 and $40 million within a very short time at the rate at which it is being depleted.

In the estimates given us it is said that the situation is stabilizing now. I do not know whether that is so or not. The experience is a turnover in employment of 20,000 a month. Just as surely as I am speaking now, we will not have enough money in this unemployment fund to meet the demands on it unless something is done. That is my concern, Mr. Chairman. I do not want it said, when the unemployed find that the money is not there, that, "You were responsible for the fact I could not get my money." That is the issue. We put it up to you today, and it is your decision to make.

Mr. CARTER. Mr. Chairman, to a country boy from Iowa all this oratory could be a wee mite confusing. It seems to me mighty significant if we check the record to see who the friends of H.R. 5610 and H.R. 1012 really are. It is easily apparent from what has been said here today that the employers, the Republican policy committee, and their agents here are supporting H.R. 5610. A few moments ago, the president of the Republican policy committee admitted that a confidential report had been issued to all the Republican Members subsequent to the meeting in the White House in which the Republican policy committee reports that the administration and the Republican Party are supporting H.R. 5610.

On the other hand, it is clearly apparent that the employees of the railroads, together with their supporters here, are definitely for H.R. 1012.

This might not be so significant if the arguments that they are using were valid. However, through the whole tone of the arguments presented by the opponents to H.R. 1012 this afternoon are the same arguments that were put forth by the railroad employers 13 years ago, when the employees first sought the benefits which H.R. 5610 takes away from them. These arguments are the same kind of arguments that were advanced when the first employees sought a fairer share of the benefits from our economic power in the days of Samuel Gompers. These arguments leave me cold, and I want to announce here and now that I am going to vote for H.R. 1012.

There have been five amendments to H.R. 1012 which make it identical with the bill that has just passed in the Senate and which take all the wind out of the sails of those who are supporting H.R. 5610 and opposing H.R. 1012. The first four amendments to H.R. 1012 as now being submitted are in H.R. 5610. They are:

First. The first amendment provides that the 10-percent increase in the retirement annuity applies only to annuities that accrue after the month of enactment of this act. This is the feature of the original H.R. 1012 which increased the cost to the railroads to $45 million and created the most objectionable feature.

Second. The increases in the retirement tax will not take place until a month after the enactment of this bill.

Third. The increase in the lump-sum payments is made only with regard to deaths occurring after the month of the passage of the bill.

Fourth. The maximum rate of contributions into the fund were increased from 3.50 percent to 3.75 percent.

Fifth. The Retirement Board during this emergency period in which we had so much unemployment is given power to borrow from the retirement fund for unemployment and sickness payments, and it will be repaid to the retirement fund, together with 3 percent interest.

H.R. 1012 with these amendments retains the present benefits that have been granted to the employees and at the same time grants them the increases to which they are entitled.

In comparing the fringe benefits to be received by the 700,000 employees of the railroads of America under this law with the fringe benefits being obtained by the employees in other transportation areas not covered by the law but obtained by contract, we find that the railroad employees still are not receiving as much as they should have. In view of all these considerations, it is easy to see why I am going to support the substitute bill, H.R. 1012, and vote in behalf of the workingmen of this great country. It is between you and your conscience whether you shall support the employers or the workingman, but there isn't any particular point in your claiming that by supporting H.R. 5610 you are supporting the workingman, because that bill takes the benefits away from the working people that they now have.

Mr. MORRIS of Oklahoma. Mr. Chairman, I first wish to say that I have a very high regard and sincere respect for the great committee handling this bill, including of course its great chairman, the distinguished gentleman from Arkansas [Mr. HARRIS], but I believe that the Staggers substitute which in substance is H.R. 1012, is preferable to the committee bill, H.R. 5610, for the reason that although both bills provide for certain benefits for railroad employees and retirees, yet the committee bill would, as I view it, deprive them of certain other benefits that are protected in the Staggers amendment or substitute.

The arguments that have been made that these benefits that are retained for them in the Staggers bill will put too great a burden on the railroads, I believe, is not good reasoning to justify passage of the committee bill in preference to the Staggers bill.

I realize fully that the railroads are essential to the welfare of our Nation, and I certainly am willing and anxious to do every proper and reasonable thing I can as a Member of Congress to help pass legislation that will give the railroads a fair and reasonable opportunity to operate efficiently and enjoy just and fair profits, and I am perfectly willing to help pass further sound and reasonable legislation if necessary toward this end. But I do not believe that the railroads should be helped at the expense and burden of the employees and retirees alone as provided in the committee bill, but that such burden if justified should fall on all the public and not just on this comparatively small group. I therefore will vote for the Staggers amendment.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Employees Benefits Act of 1959."

Mr. STAGGERS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

"SECTION 1. (a) Section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"'3. Individuals who will have attained the age of sixty and will have completed thirty years of service or, in the case of women, who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he or she is under age sixty-five when the annuity begins to accrue.'

"(b) Section 2(d) of such Act is amended by adding at the end thereof the following new sentence: 'If pursuant to the third sentence of this subsection an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed $1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of $1,200, the number of months in such year with respect to which an annuity is not payable by reason of such third and fifth sentences shall not exceed one month for each $100 of such excess, treating the last $50 or more of such excess as $100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger.'

"(c) Section 2(e) of such Act is amended by striking out 'than an amount' and inserting in lieu thereof 'than 110 per centum of an amount'.

"(d) Section 2(g) of such Act is amended by inserting after 'wife under age 65' the following: '(other than a wife who is receiving such annuity by reason of an election under subsection (h))'.

"(e) Section 2 of such Act is further amended by adding at the end thereof the following new subsection:

"'(h) A spouse who would be entitled to an annuity under subsection (e) if she or he had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by one one-hundred-and-eightieth for each calendar month that the spouse is under age 65 when the annuity begins to accrue'.

"SEC. 2. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out '3.04', '2.28', and '1.52' and inserting in lieu thereof '3.35', '2.51', and '1.67', respectively; and (2) by striking out '$200' and inserting in lieu thereof '$250'.

"(b) Section 3(c) of such Act is amended by inserting after 'or in excess of $350 for any month after June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended,'.

"(c) Section 3(e) of such Act is amended (1) by striking out '$4.55', '$75.90', and 'his monthly compensation' and inserting in lieu thereof '$5.00', '$83.50' and '110 per centum of his monthly compensation', respectively; (2) by striking out 'is less than the amount, or the additional amount' and inserting in lieu thereof 'is less than 110 per centum of the amount, or 110 per centum of the additional amount'; (3) by inserting after 'age sixty-five,' the following: 'women entitled to spouses' annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202(q) of the Social Security Act,'; and (4) by striking out 'such amount or such additional amount' and inserting in lieu thereof '110 per centum of such amount or 110 per centum of such additional amount'.

"SEC. 3. (a) Section 5(f)(2) of the Railroad Retirement Act of 1937 is amended by striking out 'and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of $300 for any month before July 1, 1954, and in the latter case in excess of $350

for any month after June 30, 1954),' and by inserting in lieu thereof the following: 'plus 7 per centum of his or her compensation paid after December 31, 1946, and before January 1, 1959, plus 7½ per centum of his or her compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of his or her compensation paid after December 31, 1961 (exclusive of compensation in excess of $300 for any month before July 1, 1954, and in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, and in excess of $400 for any month after the month in which this Act was so amended),'.

"(b) Section 5(h) of such Act is amended by striking out '$33', '$176', and '$15.40' wherever they appear and inserting in lieu thereof '$36.30', '$193.60', and '$16.95', respectively.

"(c) Section 5(i)(1)(ii) of such Act is amended by striking out 'or in which month he engaged on seven or more different calendar days in noncovered remunerative activity outside the United States (as defined in section 203(k) of the Social Security Act)' and inserting in lieu thereof the following: 'or, having engaged in any activity outside the United States, would be charged under such section 203(e) with any earnings derived from such activity if it had been an activity within the United States'.

"(d) Clause (A)(i) of section 5(l)(9) of such Act is amended by striking out the word 'and' appearing after 'July 1, 1954,' and by inserting after 'June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, and any excess over $400 for any calendar month after the month in which this Act was so amended,'.

"(e) Clause (A)(ii) of section 5(l)(9) of such Act is amended (1) by inserting 'and before 1959' after '1954' where it first appears; (2) by inserting after '$4,200' where it first appears the following: ', or for any calendar year after 1958 is less than $4,800,'; (3) by striking out '$350' and inserting in lieu thereof '$400'; and (4) by striking out 'and $4,200 for years after 1954, by' and inserting in lieu thereof the following: ', $4,200 for years after 1954 and before 1959, and $4,800 for years after 1958, by'.

"(f) Section 5(l)(10) of such Act is amended by striking out '44', '11', '$350', '$15.40', '$36.66', '$27.50', and '$14.66' wherever they appear and inserting in lieu thereof '49', '12', '$400', '$16.95', '$40.33', '$30.25', and '$16.13', respectively.

"SEC. 4. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before the month next following the month of enactment of this Act all widows' and widowers' insurance annuities which began to accrue before the second calendar month next following the month of such enactment, and which, in accordance with the proviso in section 5(a) or section 5(b) of the Railroad Retirement Act of 1937, are payable in the amount of the spouse's annuity to which the widow or widower was entitled, and all annuities under the Railroad Retirement Act of 1935, are increased by 10 per centum.

"SEC. 5. (a) The amendments made by section 1 (other than subsection (b) thereof), by subsections (a) and (c) of section 2, and by subsection (b) of section 3 shall be effective only with respect to annuities (not including annuities to which section 4 applies) accruing for months after the month of enactment of this Act. The amendment made by subsection (b) of section 1 and by subsection (c) of section 3 shall be effective with respect to annuities accruing during the calendar year 1959 and subsequent calendar years. The amendment made by subsection (a) of section 3 shall be effective only with respect to lump-sum payments (under section 5(f)(2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. The amendments made by subsection (f) of section 3 shall be effective only with respect to annuities accruing for months after the month of enactment of this Act and lump-sum payments (under section 5(f)(1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. Section 4 shall be effective only with respect to pensions due in calendar months after the month next following the month of enactment of this Act and annuities accruing for months after the month of enactment of this Act.

"(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

"PART II—AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

"SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended to read as follows:

"'SEC. 3201. Rate of Tax.

"'In addition to other taxes, there is hereby imposed on the income of every employee a tax equal to—

"'(1) 6¾ percent of so much of the compensation paid to such employee for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 7¼ percent of so much of the compensation paid to such employee for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956.'

"(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out 'after December 31, 1954' wherever it appears and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (2) by striking out '$350' wherever it appears and inserting in lieu thereof '$400'; (3) by striking out 'after 1954' and inserting in lieu thereof 'after the month in which this provision was amended in 1959'.

"(c) Section 3211 of the Railroad Retirement Tax Act is amended to read as follows:

"'SEC. 3211. Rate of Tax.

"'In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to—

"'(1) 13½ percent of so much of the compensation paid to such employee representative for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 14½ percent of so much of the compensation paid to such employee representative for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to twice the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by Social Security Amendments of 1956.'

"(d) (1) Section 3221 of the Railroad Retirement Tax Act is amended by striking out 'In addition to' and all that follows down through '$350' the first time it appears, and inserting in lieu thereof the following:

"'(a) In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to—

"'(1) 6¾ percent of so much of the compensation paid by such employer for services rendered to him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 7¼ percent of so much of the compensation paid by such employer for services rendered to him after December 31, 1961, as is, with respect to any employee for any calendar month, not in excess of $400'.

"(2) Such section 3221 is further amended (A) by striking out 'after December 31, 1954' and 'after 1954' wherever they appear in that section and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (B) by striking out '$350' wherever else it appears in that section and inserting in lieu thereof '$400'; and (C) by adding at the end thereof the following new subsection:

"'(b) The rate of tax imposed by subsection (a) shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3111 at such time exceeds the rate provided by paragraph (2) of such section 3111 as amended by the Social Security Amendments of 1956.'

"SEC. 202. The amendments made by section 201 shall, except as otherwise provided in such amendments, be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid after the month of such enactment, for services rendered after such month of enactment.

"PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"SEC. 301. (a) Section 1(i) of the Railroad Unemployment Insurance Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof ': *Provided, however*, That in computing the compensation paid to any employee, no part of any month's compensation in excess of $300 for any month before July 1, 1954, or in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended, shall be recognized'.

"'(b) The first proviso of section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500".'

"SEC. 302. (a) Section 2(a) of the Railroad Unemployment Insurance Act is amended by striking out the language between '(i)' and '(ii)' and inserting in lieu thereof the following: 'for each day of unemployment in excess of four during any registration period, and'.

"(b) Section 2(a) of such Act is further amended by striking out columns I and II and inserting in lieu thereof the following:

" 'Column I Total Compensation	Column II Daily Benefit Rate
$500 to $699.99	$4.50
700 to 999.99	5.00
1,000 to 1,299.99	5.50
1,300 to 1,599.99	6.00
1,600 to 1,899.99	6.50
1,900 to 2,199.99	7.00
2,200 to 2,499.99	7.50
2,500 to 2,799.99	8.00
2,800 to 3,099.99	8.50
3,100 to 3,499.99	9.00
3,500 to 3,999.99	9.50
4,000 and over	10.20'.

"(c) The proviso in such section 2(a) is amended by striking out '50' and '$8.50' and inserting in lieu thereof '60' and '$10.20', respectively.

"SEC. 303. (a) Section 2(c) of the Railroad Unemployment Insurance Act is amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *'And provided further,* That, with respect to an employee who has ten or more years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, who did not voluntarily leave work without good cause or voluntarily retire, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the benefit year in which such rights are exhausted shall be deemed not to be ended until the last day of the extended benefit period determined under the following schedule, and the maximum number of days of, and amount of payment for, unemployment within such benefit year for which benefits may be paid to the employee shall be enlarged to include all compensable days of unemployment within such extended benefit period:

" 'If the employee's "years of service" total—	The extended benefit period shall begin on the first day of unemployment following the day on which the employee exhausted his then current rights to normal benefits for days of unemployment and shall continue for successive fourteen-day periods (each of which period shall constitute a registration period) until the number of such fourteen-day periods totals—
10 and less than 15	7 (but not more than 65 days)
15 and over	13

but no such extended benefit period shall extend beyond the beginning of the first registration period in a benefit year in which the employee is again qualified for benefits in accordance with section 3 of this Act on the basis of compensation earned after the first of such successive fourteen-day periods has begun. For an employee who has ten or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has fourteen or more consecutive days of unemployment, and who is not a "qualified employee" for the general benefit year current when such unemployment commences but is or becomes a "qualified employee" for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences.'

"(b) An employee who has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, and who has after June 30, 1957, and before April 1, 1959, exhausted (within the meaning prescribed by the Railroad Retirement Board by regulation) his rights to unemployment benefits, shall be paid unemployment benefits for days of unemployment, not exceeding sixty-five, which occur in registration periods beginning on or after June 19, 1958, and before July 1, 1959, and which would not be days with respect to which he would be held entitled otherwise to receive unemployment benefits under the Railroad Unemployment Insurance Act, except that an employee who has filed, and established, a first claim for benefits under the Temporary Unemployment Compensation Act of 1958 may not thereafter establish a claim under this subsection, and an employee who has registered for, and established a claim for benefits under this subsection may not thereafter establish a claim under the Temporary Unemployment Compensation Act of 1958. Except to the extent inconsistent with this subsection, the provisions of the Railroad Unemployment Insurance Act shall be applicable in the administration of this subsection.

"(c) The Secretary of Labor, upon request, shall furnish the Board information deemed necessary by the Board for the administration of the provisions of subsection (b) hereof, and the Board, upon request, shall furnish the Secretary of Labor information deemed necessary by the Secretary for the administration of the Temporary Unemployment Compensation Act of 1958.

"SEC. 304. Section 3 of the Railroad Unemployment Insurance Act is amended by striking out '$400' and inserting in lieu thereof '$500'.

"SEC. 305. Section 4(a-2) of the Railroad Unemployment Insurance Act is amended by striking out subdivision (iv), and by striking out the semicolon at the end of subdivision (iii) and inserting in lieu thereof a period.

"SEC. 306. Section 8(a) of the Railroad Unemployment Insurance Act is amended (1) by inserting after 'June 30, 1954' where it first appears the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and is not in excess of $400 for any calendar month paid by him to any employee for services rendered to him after the month in which this Act was so amended'; (2) by inserting after 'June 30, 1954' where it appears for the second time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and to not more than $400 for any month after the month in which this Act was so amended'; (3) by inserting after 'June 30, 1954' where it appears for the third time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, or less than $400 if such month is after the month in which this Act was so amended'; (4) by striking out 'December 31, 1947' in paragraph 2 and inserting in lieu thereof 'the month in which this Act was amended in 1959'; and (5) by striking out the table (except the column headings) in such paragraph 2 and inserting in lieu thereof the following:

	Percent
" '$450,000,000 or more	1½
$400,000,000 or more but less than $450,000,000	2
$350,000,000 or more but less than $400,000,000	2½
$300,000,000 or more but less than $350,000,000	3
Less than $300,000,000	3¾'.

"SEC. 307. Section 8(b) of the Railroad Unemployment Insurance Act is amended (1) by striking out '3 per centum' and inserting in lieu thereof '3¾ per centum'; and (2) by inserting before the period at the end of the first sentence the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and as is not in excess of $400 paid to him for services rendered as an employee representative in any calendar month after the month in which this Act was so amended'.

"SEC. 308. (a) Subsection (d) of section 10 of the Railroad Unemployment Insurance Act be amended to read as follows:

" '(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payment of such benefits and refunds, and the Secretary shall make such transfer. Whenever the Board finds that the balance in the railroad unemployment insurance account, without regard to the amounts transferred pursuant to the next preceding sentence, is sufficient to pay such benefits and refunds, it shall request the Secretary of the Treasury to retransfer from the railroad unemployment insurance account to the credit of the Railroad Retirement Account such moneys as in its judgment are not needed for the payment of such benefits and refunds, plus interest at the rate of 3 per centum per annum, and the Secretary shall make such retransfer. In determining the balance in the railroad unemployment insurance account as of September 30 of any year pursuant to section 8(a) of this Act, any moneys transferred from the Railroad Retirement Account to the credit of the railroad unemployment insurance account which have not been retransferred as of such date from the latter account to the credit of the former, plus the interest accrued thereon to that date, shall be disregarded.'

"(b) The amendment made by this section shall take effect on the date of enactment of this Act.

"SEC. 309. The amendments made by section 301(b) shall be effective with respect to days in registration periods beginning after June 30, 1959. The amendments made by sections 302, 303(a), and 305 shall be effective with respect to benefits accruing in general benefit years which begin after the benefit year ending June 30, 1958, and in extended benefit periods which begin after December 31, 1957. The amendment made by section 304 shall be effective with respect to base years after the base year ending December 31, 1957. The amendments made by clauses (4) and (5) of section 306 and clause (1) of section 307 shall be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid for services rendered in calendar months after the month in which this Act was enacted."

Mr. STAGGERS (interrupting the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and inserted in full in the RECORD.

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

Mr. FLYNT. Mr. Chairman, reserving the right to object, I should like to

ask the author of the substitute if this is identical with H.R. 1012, and if copies are available.

Mr. STAGGERS. It certainly is not. There are five amendments which I shall explain, which have been talked about in the committee. I think there will be no question about them.

Mr. FLYNT. Mr. Chairman, reserving the right to object, would the gentleman consider——

Mr. STAGGERS. It is all right with me to have the amendment read.

Mr. FLYNT. I am not suggesting that the amendment be read, but I was going to ask a question so that the members of the committee will know what the amendments are.

Mr. STAGGERS. I am going to explain them; they are very short. I have already talked about them.

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

There was no objection.

Mr. MOULDER. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] be recognized for an additional 5 minutes.

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

Mr. MASON. Mr. Chairman, I object to any extensions.

The CHAIRMAN. Objection is heard.

Mr. STAGGERS. Mr. Chairman, before I explain the amendments, I would like to say this. This bill is identical with a bill which will be considered this afternoon, I understand, in the other body, and probably will pass. It came out of the Senate committee by a vote of 14 to 0. It is the same bill which passed the Senate last year with a vote of 80 to 2, and if brought to this floor would have passed, I am sure.

Before going into an explanation of the amendments, I would like to say, as I said when I started my talk, that I have voted for every bill that was intended to be helpful to the railroads. The time now has come to help the railroad employees. I voted for the Transportation Act of 1958. It came out of my committee. I worked for it and helped to get it through. It helped the railroads of the country. Money was made available to help the railroads of the country.

Last year I was one of those who voted to repeal the excise tax on freight rates. This helped the railroads.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. No; I want to explain my amendments. I will not have enough time to yield unless the gentleman withdraws his objection to my getting extra time.

Mr. BYRNES of Wisconsin. Will the gentleman yield just for a correction?

Mr. STAGGERS. No.

The first amendment would be that the 10-percent increase in the retirement annuity is not made retroactive; that is, the increase applies only to annuities that accrue after the month of enactment of this act. The increase will not take effect until the month following the enactment of this act.

With relation to the retirement tax, the increases in tax will not take place until the month after the enactment of the act. The question of effective date of the tax has been one of the points of opposition to the substitute bill. We are eliminating that.

The increase in the lump-sum payments is made only with regard to deaths occurring after the month of passage of this bill.

The chairman, in his last appeal, said he did not want the unemployment fund to be destroyed. We are increasing the maximum rate of contributions into the fund by the amount that the actuaries suggested before our committee would make the system sound. That is to 3.75 percent. We are putting the maximum rate at 3.75 percent, one-quarter of 1 percent more than H.R. 5610.

Also, we are giving power to the Retirement Board in this emergency period in which we have had so much unemployment to borrow from the retirement fund for the unemployment and sickness payments. It will be with interest being charged; there will be no controversy on that.

Those are the five perfecting amendments which makes this substitute bill the same as the bill the Senate is considering, which passed out of the committee by a vote of 14 to 0. I am sure it will pass the Senate this afternoon or tomorrow. It passed the Senate last year.

There has been some talk about these extended unemployment benefits. I should like to read for the benefit of the House the Washington agreements which were entered into by the railroads and the unions in 1936, under which men thrown out of work because of mergers or coordination of railroad facilities would be given coordination allowance, that is, unemployment compensation. The younger men, who had been employed for a period of 1 year, would be given a special allowance, with the allowances and periods covered increased by steps, depending on the amount of service. Men with as much as 20 years' service for instance, would be given regular coordination allowances—unemployment pay—for as much as 5 years. All this was accomplished by mutual agreement between the railroad and the employees. We are asking here only to extend unemployment payments for 13 weeks for those older men that have worked between 10 and 15 years, and to extend them for 26 weeks for men with 15 years' service or more. Older men in the railroad industry have a hard time getting jobs elsewhere because of the lack of need for their special experience. The ranking Republican member of the committee last year, Mr. Wolverton, was for those amendments and worked for them, and an agreement was made at that time for extended benefit provisions such as the substitute bill contains.

I believe this bill is fair to the working people of the Nation, I believe it is fair to the railroads, and I belileve it is only keeping an agreement which the Congress made 20 years ago, keeping faith with the working railroadmen of America. If we do not pass this bill, we are taking away some benefits we gave 20 years ago. I see some of the Members are shaking their heads as if they do not believe that.

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

Mr. Chairman, we have here a very typical example of what happens when you try to write a technical bill on the floor. I know the gentleman from West Virginia did not intend to say it but he did say that the tax which was cut from 20 to 10 percent gave a rebate to the railroads. He knows that that was no rebate to the railroads just as well as the rest of us know it. All that happens is that the railroads will not collect as much taxes for the Government as they did before.

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

Mr. YOUNGER. No; I cannot yield.

It would seem to me that the fair and the wise thing to do in the case of legislation of this kind of a technical nature is to go to conference. You have the bill from the other body which is similar to H.R. 1012. Take H.R. 5610 and let our conference committee sit down with the members of the conference committee of the other body and in a deliberate and sane way try to write a technical bill. But, if you are going to try to write this bill on the floor of the House with some new amendments, which you may or may not understand, we are going to make mistakes and you are going to conference with a bill that the majority of the committee does not want to go to conference with. I would say that if you were to do anything with the bill, the best thing to do would be to send it back to the committee and let them work it over again rather than to try to eliminate items here which the committee has, after their deliberations, agreed upon and which they can take to the conference table and work out with H.R. 1012, which is a bill, as I understand it, which the other body has and will in all probability pass. To me, that seems to be the sane and intelligent way to approach this problem. Again I appeal to you that the committee has worked over these various amendments. We have a bill here which a great majority—two to one—agreed on in the committee. They heard all of the testimony for several weeks. Now let us go to conference with that bill so that we can have a proper adjustment with the ideas that the committee has. Then, if something needs to be worked out along the line of H.R. 1012, I have confidence enough in our chairman that we will see to it that those ideas are worked out in conference and worked out intelligently with the advice of counsel, which cannot be done by adopting amendments on the floor of the House in a technical bill of this kind. You have here a tax bill. Had this bill come out of the Committee on Ways and Means, you would not have been able to amend it and, yet, you have a tax bill which is just as technical as a tax bill that comes out of the Committee on Ways and Means. I think we ought to go to conference and I do not think we ought to attempt to write a bill of this nature here on the floor of the House.

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

Mr. Chairman, as I understand it, the substitute which has been offered for the committee bill is essentially H.R. 1012, as it was originally introduced.

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

Mr. WILLIAMS. I yield.

Mr. HARRIS. I would like to point out that the gentleman, the author of the substitute, has just announced to the House that the substitute that he has offered is virtually the bill that has been reported by the committee of the other body which is different from H.R. 1012 in five instances.

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

Mr. WILLIAMS. I yield.

Mr. STAGGERS. There has been a great deal of talk of differences. Four of the amendments that I offered are in the bill H.R. 5610. There is no doubt about that. The gentleman from California made quite a to-do about a lot of amendments that are different. They are in H.R. 5610. The reason we have this is because there have been a lot of objections, and we put them in to make it a better bill. We think we have a far better bill.

Mr. WILLIAMS. May I ask the gentleman this question, and this is the point I am getting at—how much more would the gentleman's bill cost as compared to H.R. 5610?

Mr. STAGGERS. There have been different estimates on that. I do not believe anybody can definitely say. According to my figuring, I say it would be $13 million or $13 million and some odd for the extended benefits and $400,000 for the sickness benefits.

Mr. WILLIAMS. On what does the gentleman base that estimate?

Mr. HARRIS. Mr. Chairman, if the gentleman would yield, I think we had better understand what we are doing here. The gentleman said what it would cost and just now he has presented me with a recapitulation sheet, and according to that it would increase the amount of the payroll tax which the railroad industry would pay from 3.5 percent to 3.75 percent and, therefore, it is one-fourth of 1 percent of the payroll tax of the railroad industry.

Mr. STAGGERS. I am talking about known factors. I am trying to make it actuarially sound, one-fourth of 1 percent.

Mr. WILLIAMS. H.R. 1012 would be offered, I was told, as a substitute for the committee bill. I am certain that those who have given consideration to the possibility of supporting H.R. 1012 will be surprised to find that they will not have an opportunity to choose one of the two alternatives we have been told would be presented to us.

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

Mr. WILLIAMS. I yield.

Mr. AVERY. If the bill of the gentleman from West Virginia is fundamentally the same as H.R. 1012, then there would be about $50 million difference in the cost.

Mr. WILLIAMS. Going on that assumption, it would appear to me to be an unwise thing to tax the railroads an additional $45 million at a time when they are finding it necessary, because of their present economic situation, to abandon stations and services all over the United States and to lay off employees to keep themselves operating. It just seems to me that to increase this tax all out of proportion to the committee bill would certainly be detrimental to the public interest.

Now when the committee began to hold hearings on H.R. 1012 it soon became apparent that the tax provided in that bill would not be sufficient to defray the expenses of the additional outlay provided in the bill, particularly with respect to the unemployment insurance feature. The committee readily accepted the provisions of the retirement sections of the bill, and very properly so, but when we reached the unemployment compensation section we found that we were faced with several alternatives, if we were to apply any degree of fiscal responsibility, and be completely fair with the railroad employees by keeping the insurance fund solvent.

We found it would be necessary to increase the tax above that provided in H.R. 1012, if we were to grant the extra benefits, and preserve the integrity of the fund.

In lieu of increasing the tax so as to provide the necessary additional revenues, of course, the committee might have reduced the schedule of increased benefit payments to bring them into conformity with the anticipated revenues. Another alternative would have been to disregard our legislative responsibilities, follow the easy road and enact the bill as originally proposed and permit the fund to be depleted.

Instead, the majority of the committee felt that it would be much better, and fairer to the employees and the program to eliminate, instead, some of the abuses that had been written into the unemployment insurance program over the years, and to use these savings to ensure the soundness of the fund.

Now, we have heard a lot of arguments to the effect that the committee bill takes away many of the hard won rights of the employees, and that seems to be the chief issue between the two bills.

Both bills provide for the same increases in retirement benefits; both bills provide for the same increases in unemployment payment rates.

Just what are these things that H.R. 1012 confers and the committee bill denies? It has already been explained that the committee bill, rather than reducing the level of payments in the sickness and unemployment categories, actually provides the same percentage increases as are provided in H.R. 1012. However, the committee bill does amend the unemployment law by rendering ineligible for benefits those who voluntarily walk off the job, and those who are discharged because of their own personal misconduct.

If I understand the philosophy of our unemployment compensation program, its purpose is to provide a measure of assistance for those employees whose employment is terminated through no fault of their own, and under circumstances over which the individual has no control. Here, it should be remembered that the employee contributes not a dime to his unemployment benefits, and these benefits are, in this sense, at least, a gratuity paid exclusively by his employers.

As a matter of simple justice to the railroads, as well as those who become unemployed through layoffs and for other reasons over which they have no control, it appears to me to be proper that the employee be expected to exercise some responsibility over his own welfare. Have we reached the point in this country where a person's employer must be held accountable to his employee for the employee's decisions with respect to his own welfare? Surely, when an employee is caught stealing from his employer and is discharged as a result, there is no moral obligation on his employer to pay him a bonus in unemployment compensation as a reward for his own misconduct. Yet that is one of the so-called rights that supporters of the Staggers substitute bill hope to restore.

Mr. Chairman, when a person separates himself from his employment by his own choice and through his own volition, it must be assumed that he knows what he is doing. Is it unfair to expect him to do so at his own peril? Or must we hold his employer responsible for it, and penalize his employer for it? Here, again, is one of the rights that supporters of H.R. 1012 hope to restore.

The committee has considered this legislation very thoroughly and meticulously, and has worked its will on this legislation. It has not acceded to pressures from outside, but has worked diligently and with a serious sense of responsibility toward the end that a fair, equitable, sensible, and reasonable bill could be passed, which would provide very necessary increases in retirement and unemployment benefits to the railroad workers of America. It has kept in mind the fiscal soundness of both funds, and has written legislation designed to grant these necessary increases in benefits and, at the same time, to preserve the integrity of the respective funds. It has discharged its legislative responsibility, and should the House decide to act otherwise, the committee cannot be held accountable for what might ensue.

Mr. Chairman, I hope the House will act with wisdom and responsibility, and not yield to the pressures of high powered lobbying tactics, intended to obscure the true issues involved here. In the interest of nearly a million railroad employees—many of whom may become unemployed during the next few years—I hope the House and the Congress will act to keep the fund sound and solvent by adopting the committee bill and rejecting the substitute.

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

Mr. WILLIAMS of Mississippi. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

Mr. MASON. Mr. Chairman, I must object.

Mr. MOSS. Mr. Chairman, I rise in support of the amendment.

I said during the general debate, Mr. Chairman, that this is one of those complex bills where few men will agree on any of the claimed facts in connection with it. I think the debate as it goes along will support that contention.

I would like to deal with the statement made by the distinguished gentleman from Mississippi [Mr. WILLIAMS] that if we adopt the substitute we are going to bring about widespread layoffs. That is not so. The people who run the railroads are good managers. They will employ every man they need to do the job, and not one more. If they do less than that they would not be discharging their duties to their stockholders. So let us not say it will result in less jobs. It will not stop the passenger trains running across the country. The Congress gave the Interstate Commerce Commission jurisdiction last year. Nevertheless, these trends will continue. There is nothing in this resolution which will accelerate it.

Now, as to what it costs: This is one of those areas of controversy. It costs whatever the immediate statistician or actuary comes up with as a figure; that is what it costs. It actually costs one quarter of 1 percent more on the total payroll of the employer under H.R. 1012 as amended.

In reference to the remarks of my colleague from California [Mr. YOUNGER] I submit that every man is subject to some responsibility. The responsibility of legislating is enjoyed by the few who may be privileged to sit as Members of the Congress. I do not think it is proper to say this is a difficult subject and therefore being too complex for my understanding I am going to delegate my responsibility to a conference. Let us face up to it, we still have to ratify the action of a conference although it is a little more difficult to isolate the discussion, but it is still our responsibility.

If the test of sound hearing is approval here I would point out that after the complete committee concluded its hearings it made substantive changes, far-reaching changes, in this legislation without granting any public hearings to those who would be most affected. It did not give any opportunity for hearing to the employees who are going to be permanently barred from rights they have long regarded as part of their legitimate entitlement in their overall contract with their employer. We did not give them hearings.

Also, I point out one instance where the committee acted without sufficient facts to make a sound judgment. I read you one example of that action where we adopted an amendment and had to come back and rescind our action because we referred to a code of rules which was nonexistent. We went on the assumption that there was a uniform code governing the question of disqualification for cause and we were amazed to discover that there were not such rules at all.

We are dealing with variables here; it is a cumbersome piece of legislation we are trying to replace with one which was the only compromise we could arrive at. The chairman of the committee introduced H.R. 1012 as a result of a compromise, a good bill.

There were two statements a few moments ago, and I would like the chairman to listen very carefully. This bill will not cause the fund to be any more insolvent than it is at the present time.

Both H.R. 5610 and the substitute authorize the unemployment fund to borrow from the retirement fund, and authorize its repayment with interest. That in all probability is just what is going to occur and is going to be necessary regardless of what we do today.

Sure, it is going to cost more. I am not here to tell you it will cost less. As the minority leader pointed out, this is something the people are going to have to pay, the users of the railroads. They pay every item of expense; they pay for the private pension funds for the officials of the railroads; they pay every benefit which the railroad has to underwrite. The only place the railroad can go for its revenues is to the public, just as the only place we can go for revenue is to the taxpayers.

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

Mr. STAGGERS. Mr. Chairman, will the gentleman yield for a short statement?

Mr. AVERY. Reluctantly, I will yield for a 30-second statement.

Mr. STAGGERS. I thank the gentleman from Kansas.

On the question of the matter of cost, counsel for the committee computes that to make this fund actuarily sound it will cost $14 million.

I also want to say that what we are trying to do is to keep faith with something we have done through the years.

Mr. AVERY. Mr. Chairman, I do not know that we have changed any votes during the debate here this afternoon, but I do think that many Members will know more about the Railroad Retirement Act than they have known for some time.

There are 4 particular points I want to address myself to in this debate today. The first point is that the Railroad Retirement System and Railroad Unemployment Compensation program are the most liberal of any in the industries in the United States. I might add, as an illustration of that fact, that the high pay for unemployment compensation under any of the States systems is $6.13 a day, compared with $8.15 under the present Railroad Unemployment Insurance schedule, which will go up to $9.40 under 5610 that is before the Committee this afternoon. In addition, may I say that the highest rate of any State is in the State of New York where the rate of unemployment compensation is $6.92 per day.

One of the items in this bill that I know had the sincere interest of the members of the committee signing the minority report was the section that gave preferential unemployment compensation benefits to senior employees of the railroad systems. I might add that I asked every witness who appeared before the committee if there was any precedent in any industry whereby an employee that was temporarily furloughed would receive unemployment compensation based on the length of his employment, and not one witness could respond that there was any such precedent or any pattern for such in any of the industries that had unemployment compensation programs.

With respect to voluntary quits and discharges for cause, may I say that it was discussed in the committee as to what was fair and we agreed what was right could be patterned on what the employees have done for themselves, what the brotherhoods have done for themselves in writing seniority agreements with the railroads. We used in that connection a pattern established by the Brotherhoods governing seniority rights.

With respect to rules, the gentleman from California said there were no rules in existence, no pattern of agreements on appeals on decisions of the railroads for discharge. There are many rules created by agreements. I might say that these seniority rules are primarily established by the brotherhoods themselves and are not negotiated.

Under the rules in a matter of a voluntary quit, the railroad employee immediately loses all of his seniority. So, actually, we are treating him better under this bill for unemployment compensation, because when he quits all he has to do is to return to work for 20 days and his full unemployment compensation is restored to him. About the same thing applies when it involves a discharge for cause. That is about the same as any suspension. These rules that have been drawn up, largely by the Brotherhoods, provide that if an employee is suspended for cause and if his suspension is not upheld by the Railroad Retirement Board, the railroad company, his employer, must compensate him for full pay while he was under suspension. Unless suspension is rescinded within a stated time, he loses his seniority.

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

Mr. AVERY. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. Are the rules governing the employment of people prescribed by the railroads?

Mr. AVERY. It is my understanding that as far as seniority is concerned that is pretty much a matter for the Brotherhoods.

Mr. MACDONALD. Do the railroad companies have any say in that matter?

Mr. AVERY. As far as the claims of an individual employee, based on seniority, they have only a responsibility to abide by the rules to which they agree.

Mr. MACDONALD. I know that the gentleman is waiving what he says are rules or regulations. Are those agreements not collectively arrived at between the unions and the railroads?

Mr. AVERY. After they are agreements they become rules.

Mr. MACDONALD. Is it not a fact that the railroads have something to say as to what is to be done?

Mr. AVERY. They have on certain matters, but as far as seniority is concerned, that is left to the Brotherhoods

as to how they would prefer to establish relative seniority.

In almost any legislation that comes on the floor of the House there are three legislative positions. There are usually two economic groups with opposing viewpoints and then there is a much broader viewpoint that is frequently overlooked and that is the public viewpoint. It was in support of the public viewpoint that the committee wrote certain provisions into H.R. 5610 that is before the House today. Although no opposition to 5610 was recorded on final passage in the committee, we are presented today with some adamant opposition to the measure.

In my legislative experience, it has been my observation that except in extreme cases no one gets everything they want. And further, it is only natural for any economic group to ask for more than they expect to finally receive. This legislation is an example of a legislative compromise that is the normal result of a democratic procedure.

The basic objective of the committee bill is to reasonably improve the economic security for the bona fide and regular railroad employee and to eliminate fringe benefits that had been available to the casual, part-time, and itinerant railroad worker.

What about this compromise?

There are 17 changes to the basic act, the Railroad Retirement Act of 1937. The railroad industry was basically opposed to 16 of the 17 amendments. The industry did agree that the imbalance in railroad retirement fund created by the 10-percent increase in annuities granted by the 84th Congress should be corrected. The retirement fund is presently out of balance by $213 million annually. By contrast, the Railroad Brotherhoods proposed that the 17 changes contained in 1012 to improve the economic status of the railroad worker should be endorsed by the committee without amendment and almost without question. The committee went along with the recommendation of the Brotherhoods on the provisions they had placed in top priority, that of a straight 10-percent increase in annuities to retired railroad employees and an increase up to 20 percent in unemployment compensation and 10 other changes. There is disagreement on four provisions. If members of the committee will reflect on their mail they have received over the past 2 years, those are the items mentioned, particularly the item of increased annuities.

To my knowledge there is no opposition to part I of the bill which provides the needed increase in annuities that are estimated to increase the benefit cost of the retirement program by $147 million per year to the 364,000 annuitants, 133,000 spouses, 1,200 pensioners, 244,700 survivor beneficiaries. There is an immediate increase of the retirement tax of one-half of 1 percent to 6¾ percent on both employer and employee and then to 7¼ percent in 1962, and would increase by the same percentage points as social security after that date.

On part II of the bill, there are several points in controversy. Let me remind the Members that here again the item of top priority by the brotherhoods is included in the committee bill, that of raising the rate of unemployment compensation from 12½ percent in the lower brackets to 20 percent in the higher brackets. This increases cost to railroads for unemployment insurance by $25½ million. There is no opposition of record to this section although some members of the committee wonder if the low-pay bracket employee should not have received the larger percent of increase and the high-bracket employee the smaller percent if we are going to apply the rule of need in establishing entitlement rates for unemployment. In this respect, however, we accepted the formula of the Brotherhoods.

There are five principal provisions of disagreement in the bill.

Probably the strongest objection among the members signing the minority report is based on the committee's decision to eliminate a rather complex formula contained in the original bill to provide additional unemployment benefits for employees based upon years of service. In addition to the 130 days of unemployment compensation allowable under present law, 1012 had proposed an additional permanent benefit extension of 13 weeks to employees with over 10 years of service and then still an additional 13 weeks to the employee with over 15 years of service. The objective of this provision is meritorious but there was no evidence presented to the committee to support such a proposal, either by precedent in the railroad industry or by comparison with other industries. Such a provision would cost the Railroad Unemployment Compensation Fund an additional $13½ million per year in addition to the $175¾ million for unemployment benefits.

Railroad unemployment benefits are now higher than in any other industry and we are raising them in this bill, the committee bill, by 20 percent. We felt that was as far as we could go in increasing benefits to unemployed railroad workers. In September 1958, the average daily unemployment benefit under State law was $6.13 a day compared to $8.15 average daily benefit to railroad workers. Under this bill the average rate will be $9.40 for unemployment daily benefit. The highest paid by any of the States was $6.92, paid by the State of New York.

There was no evidence presented to the Committee that there was any precedent in any industry preferential treatment among employees for unemployment benefits.

To balance this program with other unemployment insurance programs, the committee did add the 13 weeks temporary benefits to treat railroad employees the same as other employees were treated by the Congress in 1958. These benefits will apply retroactively and will cost the railroad approximately $20 million paid to approximately 60,000 employees.

Another provision in controversy is the elimination of unemployment benefits for voluntary quits, discharge for cause, failure to accept suitable work, or failure to report for work. It is estimated that 20,000 beneficiaries would have received $10 million less in benefits if this provision had been in effect. Present law provides an employee would be suspended for 30 days and would then be eligible for unemployment compensation.

It was the belief of the committee that employees out of work for those reasons should not be eligible for unemployment compensation. In adopting that provision it is in keeping with provisions in labor agreements between the railroads and the various brotherhoods. These are the agreements largely written by the brotherhoods themselves, especially the provision governing seniority. These agreements generally provide that a worker voluntarily leaving the employment of the railroad forfeits his seniority rights. That is in effect what we are saying in this bill. The agreements further provide that if an employee is suspended, his seniority shall be restored if he is reinstated in 1 year's time. We are saying if he comes back to work for 20 days, his unemployment benefits shall be restored even if he was discharged for cause or voluntarily left the employ of the railroad.

The third difference is disqualification for sickness benefits. The committee felt some limitation should be placed on this provision since it is possible under present law for a casual employee of the railroad to be employed in another industry for a year and still draw sickness benefits from his previous employment by the railroad. Since the railroad bears all the cost of this program, a reasonable limitation seemed in order. The average cost of a sickness benefit under this bill is $9.74 per day. The committee bill provides that employee must have been employed within the last 90 days to be eligible. Under present law, for example, a college student may work for a railroad for summer employment and receive free medical care up to the amount of his earnings 1½ years later.

The employee would also be disqualified for sickness benefits if he leaves railroad employment voluntarily, fails without good cause to accept suitable employment, or fails to report to employment office. His sickness benefits may be reestablished after he has returned to work for the railroad for a period of 20 days, the same as unemployment insurance.

Sickness benefits are not denied an employee who is discharged for cause.

A further difference is in maternity benefits. Maternity benefits as such are eliminated from the bill, but sickness benefits are still payable to a pregnant female if she is sick and otherwise available for work. Despite elimination of maternity benefits, the cost of sickness benefits in the committee bill is increased over present law by $3¼ million.

The remaining difference in controversy in the two bills is the waiting period for sickness benefits.

H.R. 5610 provides that the number of compensable days of sickness benefits for which benefits may be paid in the first

registration period—consisting of 14 consecutive days—in a benefit year shall be 5 days. With respect to subsequent registration periods, the number of compensable days for sickness for which benefits would be payable would be 10 days but this payment would be conditioned upon the claimant having no less than 7 days of sickness or unemployment, or both, either in such subsequent registration period or in the 14 days immediately preceding such subsequent registration period.

H.R. 1012 makes no change in existing law with respect to the number of compensable days of sickness for which benefits may be paid. These are 7 days in the first 14-day registration period in a benefit year and 10 days in all subsequent registration periods.

It was the feeling of the committee that the employee should bear the cost of the first week of sickness.

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

Mr. MOULDER. Mr. Chairman, I rise in support of the substitute.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MOULDER. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. Is the substitute presented by the gentleman from West Virginia essentially the compromise bill that this committee hammered out during the closing days of the last session?

Mr. MOULDER. That is correct.

Mr. BROWN of Missouri. At the close of the last session was not the railroad industry experiencing the 1958 recession?

Mr. MOULDER. That is true, in my opinion.

Mr. BROWN of Missouri. If the railroad industry could afford this compromise measure at that time, does the gentleman feel that the financial condition of the industry today makes it more able to afford it now?

Mr. MOULDER. I think the financial reports show they are far more able today than they were at that time.

Mr. BROWN of Missouri. Is this substitute not essentially the original Harris bill, introduced at this session of the Congress?

Mr. MOULDER. It is, yes.

Mr. BROWN of Missouri. I thank the gentleman.

Mr. MOULDER. Mr. Chairman, I rise in support of H.R. 1012. As stated by my distinguished colleague the gentleman from Missouri [Mr. BROWN], this is the original Harris bill. I want to pay tribute to our distinguished chairman for his outstanding ability in the presentation of this bill during the hearings before our committee. At all times throughout the hearings before the committee he vigorously opposed all of the changes that are now included in H.R. 5610. He gave support to his own bill and loyally and effectively opposed many amendments that were proposed. I am in favor of the substitute bill for many reasons. First, because I am aware of the fact railroad unemployment is still at the most severe level in history, although railroad business and profits have rebounded from the recession even faster than most other industries and are now approaching a new all-time peak. In such a situation, it seems to me clear that justice requires that Congress act to aid the hundreds of thousands of railroad workers and their families who are now suffering untold demoralization, hunger, and poverty as the result of technological advances which have enabled the railroad industry to maintain a high level of profits even during the severe 1957–58 recession we have just weathered.

I do not believe that any Member of this Congress would deliberately put corporation profits before aid to the Nation's railroad workers. Yet last year, when the railroads came to us and said that they were on the verge of bankruptcy, Congress responded by voting immediate aid, amounting to hundreds of millions of dollars in annual benefits. At the same time, railroad workers, who came to us and asked for legislation to aid their needy retired and unemployed brothers, did not have their request passed by this body. What we have before us today, therefore, is legislation to complete a two-step program which all of us envisioned when we voted aid for the railroads themselves. We must act today to help the workers of the industry which we helped so well last year.

I say that we helped the railroads very well when we enacted the Transportation Act of 1958, as is clearly shown by their earnings records since that time. The aid which we gave the railroads last year is continuing, and it will provide them material benefits in the years to come. In the last 4 months of 1958, the railroads of this country reported earnings at the rate of more than $1 billion a year in net railway operating income, which I remind you represents the operating profits after taxes.

Meanwhile, in the first 4 months of 1959, railroad profits have continued to rise and are rising today. Now, this is not a line of argument as to the merits of the legislation, but it does clearly show that the hue and cry that the railroads are on the verge of bankruptcy and cannot continue to participate in this program of aid to their workers who created these profits is not a sound argument.

Recently the Wall Street Journal conducted a survey of how the big corporations of this Nation were recovering from the slump. It showed that railroad profits had rebounded faster than those of other industries. Profits of major firms in other industries in the last quarter of 1958 were found to run about 2 percent above those of a year earlier, but class I railroads reported their profits had increased by 23 percent.

Clearly, the railroads no longer are in need of emergency help. In saying that, I do not mean to rule out further aid to restore their competitive position with other forms of transport, should the need for such legislation be demonstrated, but I want only to stress that the railroads today are not in the relatively poor financial position they were in when H.R. 1012 was first drafted. Their condition at that time unquestionably was taken into account and H.R. 1012 represents a compromise that included severe cutbacks in the original proposals based upon the economic condition of the railroads when the bill was being prepared.

Even in those days, let me point out, neither committee of the Congress which considered this legislation in both the House and the Senate regarded any of the retrogressive amendments proposed by H.R. 5610 as either necessary or desirable. Yet today, when railroad earnings are running at a higher level than in most of the postwar years, H.R. 5610 proposes to take away from railroad workers—who, I remind you, have not benefited by the railroads' economic recovery but are still suffering from record highs in unemployment—benefits they have earned and received for as long as 20 years under the present act.

The railroads can well afford the modest increase in benefits which H.R. 1012 proposes—and proposes, incidentally, at the identical tax rate contained in H.R. 5610—without the need for chopping away piecemeal at the existing benefits through the imposition of new restrictions and limitations proposed by the committee bill.

Other speakers have already told you of the statistics of railroad unemployment and the hardships they represent for workers in an industry which today is prosperous, with favorable prospects of continued prosperity for many years to come. Fortunately, today, the earnings picture of the railroads is such that we no longer are confronted with the need to make a choice between profits and human need. The railroads clearly will have their profits, at near-record or new record levels, even after the enactment of H.R. 1012. What confronts us now, therefore, is a choice between fair, progressive aid to unemployed railroad workers, as provided by H.R. 1012, or backward-moving and retrogressive cutbacks in benefits to those workers in their time of greatest need. That is why I am opposed to most of the provisions of H.R. 5610 and urge the substitution and adoption of H.R. 1012 which was approved by the committee last year and which was approved by the Senate by an overwhelming vote and, I understand, will be approved by the Senate today.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I served on the Committee on Interstate and Foreign Commerce for a long time. When I became majority leader in the 80th Congress I was second on the committee and gave up my position on it at that time. I think it is one of the greatest committees in the House. I have never seen partisanship divide that committee. I am sure it is not dividing it now and by my speech here I would not want anyone to assume that I was injecting any partisanship into this discussion.

Reference has been made to some of the actions of the committee in executive session. I have sat for days and days and days in executive sessions of that committee when there have been hammered out the provisions of these

complicated measures, and I have always felt that when that great committee reached a conclusion, particularly by a vote of 2 to 1, the House of Representatives could well follow its direction.

Having said that about my service on the committee, let me go on to a few other matters. Something was said here about the recession of last year and the bill that was alleged to have been worked out at that time. I would just like to remind the Members that if the additional charges proposed by that bill had been put upon the railroads at that time, many of them here in the East would have been going into receivership, and you could have triggered one of the greatest depressions this country ever saw. That is the reason the bill was not acted on. That is the reason we moved to provide some relief for the railroads.

I happen to believe that we need the railroads. But I must say to you that when I discover that the Monon Railroad, that runs from Chicago to Indianapolis, which, when I was a boy, had passenger train after passenger train moving every day, now has abandoned them all; when I see the two other roads running from Chicago to Indianapolis petitioning for the abandonment of their trains, I say to you the railroads are in trouble.

The committee has hammered out a bill that everyone admits will add additional costs to the railroads in the sum of over $100 million a year. According to the people on the committee who ought to know say, the substitute bill will add something like $45 or $50 million additional. Why is it not fair to go along with the committee with the benefits that are provided in the committee bill? The matter is always within the bosom of the Congress. Any time anything further needs to be done, it can be done. But I must say that once you reach a fair position then that ought to be enough.

A couple of years ago a responsible transportation official predicted confidently that in 10 years there would not be a single passenger train left in the country except commuter trains. I could not believe it. But the happenings of the last 2 years have made me wonder if that might not become true.

Last summer we moved to help the railroads. May I say to you that there are great railroads right here in the East who were confronted with a very difficult situation at that time.

You talk about technological advancement in the railroad industry. The abandonment of these trains is not merely a matter of technological advancement. It is largely a matter of competition that is putting them out of business, competition from other types of transportation.

So if the Congress in its wisdom sees fit to make some provisions that will enable the railroads to improve their position, why do that with your right hand and then turn around and with your left hand take all of the benefits away?

Now, Mr. Chairman, let me say further that in my service on the Committee on Interstate and Foreign Commerce and here in the House of Representatives I have voted time after time after time for legislation of benefit to the railway employees.

I know the men and women who work on the railroads in my district. Let no one say I am not solicitous for their welfare, because I am, and I have proved that year after year by my record. But I say to you that in this matter, even as in many other matters involving the very vital economy of the country, we ought to stop, look, and listen before we go too far. In my opinion, the committee bill goes far enough at this time and ought to be adopted by this committee and by the House of Representatives.

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

Mr. HARRIS. Mr. Chairman, if the gentleman from South Carolina will yield, I should like to get some indication about how much time may be necessary on this substitute amendment.

Mr. Chairman, I ask unanimous consent that all debate on this substitute amendment conclude at 5:15.

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

There was no objection.

Mr. HEMPHILL. Mr. Chairman, the reason I rise today is that, like so many Members here, especially those of us who have not previously been on the committee, this year was my first time to have any acquaintance with the railroad retirement law. I know that is true of many of the new Members of Congress, who have been besieged in recent weeks by certain propaganda.

Mr. Chairman, I did not know anything about railroad retirement until this committee began to have hearings. After we had the hearings, this committee very carefully went into the railroad retirement law, because in 1956 there had been an obligation to fund it up, and there were certain improvements which we felt were necessary. But lo and behold, after we had come out with a railroad retirement bill with all the good features in it we were propagandized by not only railway labor but railway management saying the Retirement Act was slaughtering them.

Who has been slaughtered, and who has been kicking about it? Stand up and be counted. By refusing a retroactive feature which would cause a tax situation unfair and which could not be administered, who has been slaughtered? Then by putting on a necessary tax so that the funds can be balanced, who has been slaughtered? No, the only possibility of slaughter is for you to vote for this amendment instead of for the work of the committee.

Let me tell you why. We seek to remove, because we think it will make unsound the unemployment compensation features and cost the railroads more than they can financially stand, the 52-week permanent extended benefits. Who has been slaughtered when those who expect to get the benefits are protected by the work of this committee, realizing that the railroads cannot stand the rate unless the public expects to pay more for the freight? Are you going to sacrifice the public—are you going to stand up to your obligations here in the Congress?

Then we put a provision in that a man who says, "I won't work, I voluntarily quit," shall be like every other American worker. Every other American worker that voluntarily quits has to suffer some penalty, and well he might, because in the employment relation when a man just gets up and says, "I won't work and I don't want to," how in the world are we going to justify giving him any money? There are today millions of Americans paying taxes to support a program where men voluntarily quit, many with neither intention nor desire to go back to work. They are working—he owes them some obligation.

The Good Book says that a man must work for his bread. Heaven knows, in America today we do not need to encourage idleness. We went one step further. We said, "If you are guilty of misconduct—if you are drunk, if you violate the rules, if you do something to a passenger or to somebody else, you cannot draw your money." Do we not owe some obligation to the American people? Do we not owe some obligation to say that if a man is drunk on public transportation, he has to suffer some penalty? Heaven knows, I would hate for some of my family to be exposed to somebody who is drunk on any form of public transportation—railroads, airplanes, bus, or any other type.

If the employee is guilty of violating the rules, which have to do with the safety factor, which we expect in our transportation, is there anything wrong with saying, "If you cannot live by the rules, there must be something that you can expect?"

No, my friends, what you are being asked to do today is not even to vote for H.R. 1012 that they propagandized you about. You are being asked to vote for a substitute and you do not even know what is in it because the gentleman who proposed it a few moments ago, the distinguished and wonderful gentleman from West Virginia, himself, did not have time to explain it and it has not been explained. And, yet, you do not even know what you are voting for.

The able gentleman from West Virginia is to be complimented not only on his knowledge of this legislation, and his sincere preparation and knowledge of the substitute, but on a magnificent example of leadership. He—Mr. STAGGERS—is a skillful advocate of his cause, and his heart is in it.

I want to compliment my chairman, the great and lovable gentleman from Arkansas [Mr. HARRIS] for the great labor and effort he has put into getting a good bill. The American people are fortunate in having him head this great committee. He is the fairest man in or out of committee, for he gives head and time to the opposition at all times.

For some reason very few people contacted me on this legislation. Some retirees came and asked only that I vote the retirement. This I am doing. Some few workers asked that the cost to them be considered, and it was. Nobody has

said they were unwilling to have the inequities of the unemployment compensation adjusted. I just want to be sure the railroad employees are protected, and they are better protected by H.R. 5610.

Now remember, we are not voting on H.R. 1012, as the substitute is not H.R. 1012. Will you vote in the dark?

The railroad industry is a great industry. Already it is suffering from too much unemployment. Last year we had to bail them out of one hole. If they cannot afford the 52 weeks, who will bail them out, who will insure employees the compensation they will expect if we pass the substitute? Three hundred and eight thousand drew unemployment compensation in 1958. Multiply that by 52 weeks and then by an average of $30 per week. See page 121 of the hearings to verify that figure.

H.R. 5610 is good for everybody. It is good for employees, labor and management. It is best for the American people—that is why I am for it.

I urge the defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I regret taking even the 3½ minutes that have been allotted to each Member at this time. The hour is late and I know we have a great deal to do. But, I would like to answer or at least try to reply to the gentleman from Indiana [Mr. HALLECK] who came to the well of the House a few moments ago and was pleading generously on behalf of the American railroads because of the fact that they were taking so many trains off of the railroads, and he was speaking in particular about passenger trains. I would like to relate what has happened to my entire psychology and thinking in regard to the American railway system. I have a very soft spot in my heart for the American railway system—first of all, because of the need of it for our national defense; and second, for the benefit of our welfare. But, I would like to say this. In my hometown, we have the main line of one of the strongest, or at least in former years it was one of the strongest of all the railway systems in the United States. We used to have many passenger trains coming through there every day. But, the management of this line has taken off passenger train after passenger train—not because there was an actual decrease in the number of people who were riding the trains, but because it was a deliberate policy on the part of the management to do away with the passenger-train service. I personally pleaded with the president of this railway company to leave at least one train on this line a day that had a pullman car. But my plea was to no avail. I understand now even the mail car is going to be taken off. There is now only one, single passenger train a day on the tracks of the Chicago, North Western Railroad which extends from Chicago to Omaha. This train is a night train but it has no sleeping car. So after the pullman car was taken off, one night I rode all night in a passenger car from Boone, Iowa, to Chicago, Ill., and when I arrived in Chicago I felt exactly as if I were destined for the livestock market as a result of the kind of service I received on that train.

I say it is this kind of thing that has taken away travel on American railroads. It is the determination of the management of these railways that they want to do away with passenger service.

Not long ago I was snowbound at Fort Dodge, Iowa. I knew because of the storm that the planes would not take off. The highways were blocked, and I have been so schooled in the idea that there is no passenger-train service that it was 9 o'clock that night before it dawned on me that there was still a railway that did have a pullman car on it so that I could get to Chicago. The Illinois Central Railway had a night train with a sleeper and I took it because I had to return to Washington without delay.

This kind of public attitude is detrimental to the American railway system but the railways have brought it on themselves. There are many people in this country who do not want to fly. They get sick when they fly. But what kind of service are the American railways giving to this clientele? I say the American railroads can do much if they will improve their service.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, there has been some question as to the precise nature of the substitute offered by the gentleman from West Virginia [Mr. STAGGERS]. For the purpose of clearing up the record, I want to state categorically the provisions of the substitute offered by the gentleman from West Virginia are precisely the same as H.R. 1012. Anyone in this House who wishes to support H.R. 1012 may support the provisions of the substitute offered by the gentleman from West Virginia without any qualms whatsoever.

The two provisions are in all ways identical except for the following changes which I will mention to you. Each of the changes embodied in the proposal of Mr. STAGGERS are included in H.R. 5610, but each of those changes are in no way incompatible with the views of those who have joined in signing the minority report on this bill, urging substitution of H.R. 1012 for 5610.

The tax feature for payment into the unemployment compensation fund is raised from 3½ to 3¾ to conform with the actuarial needs of the fund, as recognized by the committee and as embodied in H.R. 5610.

Second, the Staggers substitute provides for the borrowing power for the unemployment compensation fund as included in H.R. 5610 to tide it over the anticipated rough spots which will occur during August and September of this year as a result of the railroads having taken a free ride on the unemployment compensation fund for 5 or 10 years.

Third, it will permit railroad employees to take advantage of the temporary unemployment compensation law changes which were just enacted by this House and the Senate and signed by the President since the Easter holidays.

The last change embodied in the Staggers proposals is purely a technical change which will raise the figure for computing the base year from four to five hundred a year. Those are the only changes which are made. Aside from this, H.R. 1012 is offered to you to vote on at the time the vote will be cast on the Staggers substitute. The Staggers substitute is H.R. 1012, with the exception of those simple changes.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, I yield to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the substitute bill. In my opinion this substitute provides better protection of the rights and benefits of railroad employees and retired railroad employees. I therefore urge that the substitute bill be adopted.

I am glad that both the substitute and the committee bill provide for a 10 percent increase in railroad retirement benefits. This increase is urgently needed by the thousands of retired railroad employees throughout this country.

Mr. BENNETT of Michigan. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I rise in support of H.R. 1012 and urge rejection of the amended form of this bill which was reported to the floor by a majority of the Interstate and Foreign Commerce Committee.

I regret that I must take this stand, because I respect the action of a committee of the House on the principle that its members have given the matter before it extensive study and have, therefore, based their recommendations on detailed knowledge of the provisions of a legislative measure. Therefore they usually are in a better position to judge the merits of what is proposed than most Members of the House. In the case of H.R. 5610—the railroad retirement and unemployment insurance amendments now before us—however, I do not believe that this situation applies.

In the first place, H.R. 1012 is not new legislation, in the customary sense, but rather it is a long-studied and much-overdue measure that in itself represents major revisions and cutbacks in the proposals originally brought before the Congress. Last year, the Senate passed a bill that was almost identical to H.R. 1012, and the record of debate shows that it did so with the clear understanding that the legislation, in this compromised form, which conformed to the wishes of the House committee, would be acceptable to that committee. All of us who served in the last Congress need to remember this fact, I think, because there was little room for doubt that if the bill in this compromised form had been put to a vote, it would have passed this body by an overwhelming margin.

H.R. 1012 as introduced this year is basically the same legislation. I can

see no reason why legislation that was acceptable last year should be any less acceptable now. Remember that in shaping this legislation into the form of H.R. 1012, the last Congress held even more extensive hearings than those held this year, since the original hearings were on the original and much broader proposals. No need for the changes proposed by H.R. 5610 was shown to exist at this earlier date, and, in my judgment, no need has been shown by the hearings held this year. Rather, developments since the original proposals were introduced seem to me to all point logically in the other direction.

When the bill we now know as H.R. 1012 took shape last year, the financial condition of the railroad industry was certainly more precarious than it is today. The railroads have recovered at least as fast as any other industry from the effects of the recession which prevailed when this legislation was first proposed. In the last 4 months of 1958, net railroad operating earnings averaged over $1 billion a year—a rate better than they earned in most postwar years and close to their top earnings during this period. This pickup in business has carried over into 1959, so that today the railroads' net earnings are running well ahead of 1958. Part of their high earnings, let us not forget, have been made possible by the help which Congress gave to them by adopting the provisions of the Transportation Act of 1958 last year. I voted for that assistance to the railroads. The railroads clearly are in a much better shape financially to afford the provisions of H.R. 1012 than they were when this legislation was originally prepared.

On the other hand, although business has picked up on the railroads, unemployment among railroad workers remains excessively high and a serious national problem. Over 200,000 railroad workers were unemployed in January of this year, when total employment in the industry dropped to 810,000, the lowest point since the turn of the century. More than 40,000 of these unemployed railworkers had exhausted all railroad unemployment insurance benefits. Because of technological advances and the big increase in the productivity of railroad workers in recent months, the prospect is only for continued high unemployment of extensive duration and many exhaustions of benefits among railroad employees who become unemployed. The critical nature of this unemployment is dramatized by the fact that workers with 20 and even 30 years of service have lost their jobs. Such workers, possessing skills not readily transferred to other industries, are truly today's dispossessed, and unfortunately, they are victims of the great increase in output per man-hour which railroad workers are now contributing to their industry.

In such circumstances, it seems to me to be both inexcusable and socially unwise to kick the workers who have helped their industry the most in terms of man-hour output at the very time they are in need of help. H.R. 5610, by proposing new restrictions upon unemployment insurance which these workers have earned for as long as 13 to 20 years, does just that.

If there were no need for such restrictions last year, when the railroads were much worse off financially, there is certainly no need for them now. The railroads needed help last year, and Congress gave them that help. Railroad employees also needed help critically last year, but Congress postponed final action until now. In my judgment, this delay in acting to meet the needs of railroad workers was, in light of action to aid the industry, inexcusable and in itself an unfair penalty. To now add further to this injustice by weakening the unemployment insurance protections these workers have enjoyed since the beginning of the act, as H.R. 5610 would do, seems to me to be an unconscionable proposal. I therefore urge substitution of the original compromise measure, H.R. 1012, for the unfair and unjustifiable provisions contained in H.R. 5610.

Mr. BENNETT of Michigan. Mr. Chairman, I rise in support of the amendment. As I said earlier, it is a reasonable measure. It is one which was passed by a practically unanimous vote in the committee, after long consideration during the last session of Congress, with the exception of the present increased retirement part of the bill. Otherwse, the measure which was passed at that time without hardly a dissenting vote is before the committee at the present time in the form of this substitute.

The difference in overall cost between the substitute and the committee bill is not great. The major difference between the two bills lies in whether you wish to recognize seniority and grant additional permanent unemployment benefits to people who have worked faithfully for railroads 10 years or more.

I hope, Mr. Chairman, that the substitute will be adopted because, as I say, it is a perfectly reasonable and fair bill taken in its entirety. It does justice to the retired railroad workers of this country and their dependents.

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

Mr. MACDONALD. Actually, Mr. Chairman, I asked for this time to direct a question to the gentleman from Indiana [Mr. HALLECK], who spoke of there being no politics in this matter. I see the gentleman from Illinois [Mr. ARENDS], who represents the Republican policy committee, at this moment leaving. May I direct a question to the gentleman from Illinois [Mr. ARENDS]? Does the gentleman support the position of his leader who states that there is no politics involved in Republican support of this bill?

Mr. ARENDS. Will the gentleman repeat his question?

Mr. MACDONALD. I shall be happy to. I ask if you support the gentleman from Indiana in his statement which he made here in the well of the House that there is no political implication, there are no political overtones, to either the defeat or passage of this bill?

Mr. ARENDS. I did not hear the gentleman from Indiana make the statement, but I would support him in that statement if he made it.

Mr. MACDONALD. Then may I ask you this question: Has the Republican policy committee put out any order about support or passage of this bill?

Mr. ARENDS. No; unfortunately, we cannot order our people around.

Mr. MACDONALD. May I rephrase that and ask if you put out a "quote—confidential—unquote" report which purportedly puts forward the position of the policy committee made on April 22, 1959?

Mr. ARENDS. I do not know if that was put out or not. I did not get one if it was, but if it was an official report, then that is that.

Mr. MACDONALD. Will the gentleman inquire of Mr. HALLECK——

Mr. ARENDS. As I said a moment ago, I will ask him when he comes back.

Mr. MACDONALD. This information is in what purports to be a confidential report dated April 22, 1959.

Mr. ARENDS. Where did the gentleman get it?

Mr. MACDONALD. That I will be happy to tell you. Labeled "Confidential report," dated April 23, 1959, it says:

Policy committee meeting, April 22, 1959.

(1) Report on White House leadership meeting of April 22, 1959:

(2) Railroad retirement and unemployment insurance, H.R. 5610.

Action taken by policy committee:

(1) Railroad retirement and unemployment insurance: Favors H.R. 5610 as reported by committee.

I see the gentleman from Wisconsin [Mr. BYRNES] is on his feet, and as his name appears on the heading of this document along with the gentleman from Indiana [Mr. HALLECK], he probably can furnish me the information.

Mr. ARENDS. We will let the gentleman from Wisconsin answer it, then. Will you tell me just where you got the letter?

Mr. MACDONALD. I will be happy to tell you. Obviously it came from a member of the Republican Party to whom it was sent, and incidentally not a member of the Interstate and Foreign Commerce Committee.

The CHAIRMAN. The Chair at this time recognizes the gentleman from Pennsylvania [Mr. RHODES].

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

Mr. RHODES of Pennsylvania. I yield.

Mr. STAGGERS. I would like to announce to the House right now that the Senate has just now passed an identical bill. I think perhaps the messenger from the Senate has just brought it over, as he is standing back there. This is the bill we are considering now, the substitute that I am offering. If I am right this identical bill has been passed by the Senate and is now waiting to be announced to the House. It is the very substitute I am offering here. It was passed by a voice vote with no opposition from either side of the aisle.

Mr. RHODES of Pennsylvania. Mr. Chairman, I want to thank the gentleman from West Virginia. I ask the support of this committee for the substitute bill introduced by the gentleman from

West Virginia [Mr. STAGGERS] to the committee bill. H.R. 5610 is a revision of the bill agreed to last year.

Standing alone, this might not seem too important. However, the form of H.R. 5610 poses a completely new and difficult problem for this House. In addition to drastically revising the bill that was agreed to last year, the majority of our committee has attacked principles of social insurance that in some instances have been operable for over 20 years. The problem of persons who voluntarily leave their employment, and of persons discharged for cause by their employer, are handled, in my judgment, in a very poor manner by the committee bill. I believe that if the committee bill became law chaos would result in the railroad industry. I am convinced that our offices would be flooded with protests, and rightfully so, from railroad workers unfairly discriminated against because of the provisions of H.R. 5610 if they are permitted to stand. In many other areas the committee bill is inadequate. It does not provide the understanding treatment of unemployment that is so badly needed in this great industry. It is discriminatory and unfair.

I believe that the only fair thing that this House can do in justice to the railroad employees and to the great railroad industry, is to adopt the Staggers substitute.

I am sure, Mr. Chairman, if we just gave a little bit of consideration to the human values recognized in the substitute, it would pass unanimously.

I hope the substitute will be adopted.

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

Mr. HOLIFIELD. Mr. Chairman, in the closing hours of this debate before we take a vote on the substitute amendment, as amended by the gentleman from West Virginia [Mr. STAGGERS], may I say that it is a timely thing that the other body has passed a bill that not only includes amendments to the original 1012 by the gentleman from West Virginia [Mr. STAGGERS], but it also includes the 3¾ contribution, raised one quarter of 1 percent, which will make the fund a good fund and not a fund that cannot pay its bills.

Of course this House has to act upon its own responsibility. Every Member of this House respects the chairman of the committee and the members of the committee who took either side of this particular question. However, you are faced today with your own responsibility to 700,000 railroad workers in the United States who have signed negotiated contracts with their employers in connection with these fringe benefits. If the committee bill is agreed to, a number of fringe benefits will be taken away.

Do you want to go ahead with the Staggers substitute, which is the same as the committee bill in regard to the increase of 10 percent in retirement benefits, which is in line with action we have taken in other retirement funds, and is in line with the need for additional money to meet the purchasing power problems of the American people? Do you want to take away from them, while you are giving them a 10 percent increase, some of their unemployment compensation benefits they have had for as long as 13 years? Do you want to take away their sickness benefits? Do you want to make the period longer by 2 days in order for them to retain fringe benefits they have enjoyed for the past 13 or more years?

Those are the questions before the House today. We have our own responsibility. The other body has acted. This body should act responsibly, too, for the benefit of the 700,000 employees of the railroads of America.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

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

Mr. VANIK. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would like to say this, that one Member of the House said that I did not know what I was talking about. I would like to tell the House this, that if there is any man in this House that knows any more about this legislation than I do, I do not know who it is. I have studied night after night in my office until 9 o'clock and then took the books with me to the hotel and studied until 12. I will not say I am the best informed man to answer all questions that may be propounded about railroad legislation. I believe the chairman of our committee is one of the best informed men on the Hill on railroad legislation, and I respect him for that. I think he has been entirely fair, and I certainly do not want to disagree with him. You know, it has been intimated that according to my statement they cannot fire a man. The only thing we insist is that he must have these unemployment benefits coming to him. We do not want any men working on the job when they are drunk. If he is drinking, he ought to be fired. But, if he has paid into this fund over the years and is unemployed, he should be able to look forward to getting the benefits of it. All we are trying to do is to keep faith with the men and women who work. Here we are trying to take away those rights. And, I say, we have to keep faith with them. And, before you vote to take away some of these things, you should examine the bill a little more closely, as well as your conscience. We are only trying to go forward and not backward.

Mr. VANIK. Mr. Chairman, I certainly hope that the substitute will be adopted by this committee.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, when the very able chairman of this Committee on Interstate and Foreign Commerce wound up debate, he mentioned the possibility of a catastrophe—that is, the suggestion that either one of the funds, the unemployment insurance fund or the retirement fund, might get into very serious trouble. It was not clear to me which one it was. Certainly this substitute does provide for actuarial soundness for both funds.

The issue here on the floor today seems to be whether or not we should change well-established, long-standing conditions of employment for railroad employees. Apparently it is considered necessary by the chairman and the majority of the committee on the ground that it will make the fund more sound. Yet, we have had no evidence on this floor of any great abuses, nor have we had set out before us the amount of money it will save.

If there is a catastrophe in the offing, then the people most concerned, the railroad unions and their members, certainly should have been in touch with us by now. They are personally and vitally concerned about these benefits, both unemployment and retirement. However, the fact is that they are for this substitute. They do not believe it will mean catastrophe, nor do I.

Now, I should like to ask the gentleman from West Virginia [Mr. STAGGERS] a few questions. It seems to me that the bill, H.R. 1012, is entirely clear as amended, but I would like to have the gentleman state succinctly in the time remaining what is exactly before the House as the substitute to the committee bill.

Mr. STAGGERS. The substitute is H.R. 1012 precisely with five minor adjustments. Three of those have to do with moving up the date of the effectiveness of the retirement fund; the other is taxation, and the other is 10 percent on the lump-sum payment.

Mr. PORTER. Four of these are in the committee bill?

Mr. STAGGERS. Four of these are in the committee bill. One of them gives the Railroad Retirement Board the authority to borrow money from the retirement fund if it gets too low.

Mr. PORTER. The basic difference then is that we are not changing the long-standing conditions of employment?

Mr. STAGGERS. That is right. There is one basic fact in my amendment, and that is that we are raising the rate of interest one-fourth of 1 percent on the unemployment compensation fund.

Mr. PORTER. Which will make it actuarially sound?

Mr. STAGGERS. That is according to the actuaries that came before our committee and so testified.

The CHAIRMAN. The Committee will rise informally for the purpose of receiving a message from the Senate.

Accordingly the Committee rose and the Speaker assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 226 An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

The SPEAKER. The Committee will resume its sitting.

AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937, THE RAILROAD RETIREMENT TAX ACT, AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, as I have listened to this debate it sounds essentially as though this is a fiscal problem. I think the committee has done a very commendable job. We on the Committee on Ways and Means have a very similar problem on unemployment compensation and social security in trying to make these funds solvent. As I understand the bill that the committee has recommended, the committee essentially has tightened it up so that it will be in a little better shape.

I do want to make this comment, that in going over it I do not believe it has done violence to comparable unemployment compensation programs, various Federal and State compensation programs. There is one thing I am concerned about. Some remarks were made by those who are supporting the substitute indicating their feelings that the railroads are going to go on forever. I think the economic situation is serious. We have seen the interurbans go out of existence completely. We are now seeing the surface transits in the cities going out, and it is entirely possible because of the competitive situation that we might be looking for jobs for our 700,000 railroad employees, and any burden that is added onto the railroads is going to be passed on to the users of the railroads and that will put them in a more adverse competitive situation.

So I do believe that the committee, in my judgment at any rate, has done a very well-balanced job. I think we do have to consider the jobs of the 700,000 men, which jobs are dependent upon the health of our railroads.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I just want to remind the committee in view of the remarks of my friend from West Virginia that H.R. 5610 takes something away from the railroad employees, that we increase the railroad retirement benefits by $147 million. To me that does not mean that we are taking something away. That is a plus item. Then, on unemployment compensation, we increase that by up to 20 percent, adding annually $25.5 million for the benefit of the unemployed persons in the railroad industry.

It has been said repeatedly that we are taking away sickness benefits. We are not taking away any sickness benefits as such. In fact, we are increasing them under this bill to the extent of $3½ million a year. If that is taking anything away from anybody, I wish someone would explain it to me.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, reference has been made to the report of the Republican policy committee. As chairman of that committee, I am very pleased to respond and say that the committee did put out advice to the Republican members that the committee was in support of H.R. 5610 as reported by the Committee on Interstate and Foreign Commerce. We took action in support of the legislative committee and so advised our members.

Inquiry has been made as to whether this action by the Republican policy committee makes the issue presently before us a political issue. I would point out to the gentleman that the Committee on Interstate and Foreign Commerce is under the control of the Democrats. They have 21 members of the committee. The Republicans have 12 members of the committee. If action by the Republican policy committee expressing support of the action of a Democrat-controlled committee makes the issue a matter of partisan politics, the gentleman is welcome to make the most of it. I would think, however, that the Democrats would welcome action by the Republican policy committee and the membership on our side in support of the legislative committees which you control.

I will point out further that we on the Republican side never at any time either in conference or otherwise attempt to bind our members. We do not, however, resist the opportunity to advise our members as to what the general feelings of the members of our policy committee are on any particular issue.

Mr. Chairman, I am no expert on this subject; in fact, there is no subject that comes before us on which I would consider qualifying as an expert. But I do not think one has to be an expert to be concerned about some of the basic issues involved in this legislation that is before us today.

If we were dealing with a healthy, thriving industry I would not be so concerned about the provisions of this substitute and the extents to which we might go in adding additional costs. I do not say I would not be concerned at all because I will always be concerned that we do not take a healthy thriving industry and put it into bankruptcy and sickness and death. But let us get one thing clear in this picture: We are dealing here with an industry that is not a healthy industry. We acknowledged that fact last year when we took action and enacted, on the basis of the economic condition of that industry, a transportation act. Is there anyone here that will contend that by that action last year we cured all the ills of the railroad industry, and that from here on it is going to be a thriving industry and you can do with it what you will? I do not think there is a member here that would make that contention.

Certainly, if I understood the chairman of this committee, who certainly is in a position to know more about it than any other single member of the committee, he did not give us the hope that we did not have to worry any more about the competitive position and the ability of this industry to serve us and to serve the people. That is fact No. 1. We are dealing with an industry that is in a difficult situation.

No. 2: Let us remember that this is a basic industry in this country. Your railroads fold up and your economy folds up, make no mistake about that. So one thing I would caution you no matter what we do or how we vote, let us be careful, let us recognize the problem that may be involved in the consequences of our act.

Also, Mr. Chairman, we have heard talk that corporate profits are involved in this controversy. To me, Mr. Chairman, the issue here is the issue of jobs. Is it a proper approach just to be concerned about what you are going to do with a man when he is out of a job? Should you not be concerned with what you can do to assure that jobs will be available.

I listened to the gentleman from Iowa [Mr. COAD] speaking about the Northwestern Railroad, that they did not have Pullman cars, that they were closing up shops and stations and taking off trains. Why? Because of economic difficulty. The elimination of cars, of shops, of stations, and trains eliminates jobs and produces unemployment.

I suggest that we had better make sure that in our desire to take care of the unemployed we do not so act that we encourage greater unemployment.

That, as I see it, is the issue raised by this substitute. The bill as reported by the committee will put an additional cost of over $100 million on the railroads. The substitute will increase this to around $150 million. I am most fearful that this additional $50 million could very well produce additional unemployment. I am sure this is not what is desired by the average railroad worker. I shall therefore support the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I think just about all the issues involved here have been very thoroughly discussed and explained. Everyone must know by this time what he or she is going to do in connection with this bill. I have already advised the Committee of the action of our committee, and how it worked its way and its will in bringing in the bill which the committee presented and which, at the direction of the committee, I introduced. We have it here today. Now we are told by the author of the substitute bill, our esteemed friend, the gentleman from West Virginia, a member of the committee, who offered this substitute, that there is a Senate bill which has passed the other body and which has been reported here. I do not know whether there is any difference or not between the bills. I do know that this substitute is not H.R. 1012. Everybody has been urged to support H.R. 1012.

You do not have H.R. 1012. You have the original bill with certain amendments, some of which are incorporated in H.R. 5610. And I believe there is a veterans' amendment in the Senate bill. It would seem to me, since we do not know what is contained in the bill which just has been presented to us, that the

better thing to do would be to vote down this substitute and let the committee and the House work its will on the bill that is here before us, which we could then take to conference. In that way we can analyze what has been done and see whether or not it is in the best interest of the employees and the employers and the general public. As far as I am concerned, I am not willing to swallow whole, without the necessary explanation and itemization of a highly complicated and technical proposal such as we have here.

So are you going to do it? As for me, I want to see what I am doing? Therefore, I say to you that I believe the better wisdom here this afternoon is to let the House work its will on the bill that is before us. Our committee knows this subject. We have studied it. We have held hearings. We have heard testimony on the whole subject not one time, but many times. The better thing to do as I see it, and the better way to legislate and to shoulder our responsibility, is to let the House work its will on the bill that we have here instead of swallowing what has been given to us without an opportunity to know all of the facts and all of the problems connected with it, with apparently an effort to make it coincide with what has been done by the other body. The Committee on Interstate and Foreign Commerce by a vote of practically two to one brings this bill, H.R. 5610, to you. Gentlemen, it is now your responsibility.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. STAGGERS].

The question was taken, and on a division (demanded by Mr. HARRIS) there were—ayes 181, noes 91.

So the substitute amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. NATCHER, 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. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, pursuant to House Resolution 248, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

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

The bill was passed.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the railroad retirement bill.

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

There was no objection.

Mr. KING of Utah. Mr. Chairman, I take this opportunity to say that I am gratified that the Railroad Retirement Act, H.R. 1012, for which I voted, passed this body by a strong voice vote.

I am convinced that it would have been an injustice to the laboring men of the Nation's railroads to have enacted the alternative, H.R. 5610. While the latter embodied certain benefits for the people it was meant to help, it also threatened to erase certain gains which the same people already enjoy.

H.R. 1012 carried the benefits which H.R. 5610 contained without threatening other benefits as the latter did. For this reason, the Congress clearly took the stronger, better position in choosing H.R. 1012, and I reiterate my pleasure over its passage.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 226) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, strike out all after the enacting clause and insert the provisions of H.R. 5610 as amended.

The Clerk read the title of the bill.

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

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

"SECTION 1. (a) Section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"'3. Individuals who will have attained the age of sixty and will have completed thirty years of service or, in the case of women, who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he or she is under age sixty-five when the annuity begins to accrue.'

"(b) Section 2(d) of such Act is amended by adding at the end thereof the following new sentence: 'If pursuant to the third sentence of this subsection an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed $1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of $1,200, the number of months in such year with respect to which an annuity is not payable by reason of such third and fifth sentences shall not exceed one month for each $100 of such excess, treating the last $50 or more of such excess as $100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger.'

"(c) Section 2(e) of such Act is amended by striking out 'than an amount' and inserting in lieu thereof 'than 110 per centum of an amount'.

"(d) Section 2(g) of such Act is amended by inserting after 'wife under age 65' the following: '(other than a wife who is receiving such annuity by reason of an election under subsection (h))'.

"(e) Section 2 of such Act is further amended by adding at the end thereof the following new subsection:

"'(h) A spouse who would be entitled to an annuity under subsection (e) if she or he had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by one one-hundred-and-eightieth for each calendar month that the spouse is under age 65 when the annuity begins to accrue'.

"SEC. 2. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out '3.04', '2.28', and '1.52' and inserting in lieu thereof '3.35', '2.51', and '1.67', respectively; and (2) by striking out '$200' and inserting in lieu thereof '$250'.

"(b) Section 3(c) of such Act is amended by inserting after 'or in excess of $350 for any month after June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended,'.

(c) Section 3(e) of such Act is amended (1) by striking out '$4.55', '$75.90', and 'his monthly compensation' and inserting in lieu thereof '$5.00', '$83.50' and '110 per centum of his monthly compensation', respectively; (2) by striking out 'is less than the amount, or the additional amount' and inserting in lieu thereof 'is less than 110 per centum of the amount, or 110 per centum of the additional amount'; (3) by inserting after 'age sixty-five,' the following: 'women entitled to spouses' annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202(q) of the Social Security Act,'; and (4) by striking out 'such amount or such additional amount' and inserting in lieu thereof '110 per centum of such amount or 110 per centum of such additional amount'.

"SEC. 3. (a) Section 5(f)(2) of the Railroad Retirement Act of 1937 is amended by striking out 'and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of $300 for any month before July 1, 1954, and in the latter case in excess of $350 for any month after June 30, 1954),' and by inserting in lieu thereof the following: 'plus 7 per centum of his or her compensation paid after December 31, 1946, and before January 1, 1959, plus 7½ per centum of his or her compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of his or her compensation paid after December 31, 1961 (exclusive of compensation in excess of $300 for any month before July 1, 1954, and in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, and in excess of $400 for any month after the month in which this Act was so amended),'.

"(b) Section 5(h) of such Act is amended by striking out '$33', '$176', and '$15.40'

wherever they appear and inserting in lieu thereof '$36.30', '$193.60', and '$16.95', respectively.

"(c) Section 5(i)(1)(ii) of such Act is amended by striking out 'or in which month he engaged on seven or more different calendar days in noncovered remunerative activity outside the United States (as defined in section 203(k) of the Social Security Act)' and inserting in lieu thereof the following: 'or, having engaged in any activity outside the United States, would be charged under such section 203(e) with any earnings derived from such activity if it had been an activity within the United States'.

"(d) Clause (A)(i) of section 5(l)(9) of such Act is amended by striking out the word 'and' appearing after 'July 1, 1954,' and by inserting after 'June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, and any excess over $400 for any calendar month after the month in which this Act was so amended,'.

"(e) Clause (A)(ii) of section 5(l)(9) of such Act is amended (1) by inserting 'and before 1959' after '1954' where it first appears; (2) by inserting after '$4,200' where it first appears the following: ', or for any calendar year after 1958 is less than $4,800,'; (3) by striking out '$350' and inserting in lieu thereof '$400'; and (4) by striking out 'and $4,200 for years after 1954, by' and inserting in lieu thereof the following: ', $4,200 for years after 1954 and before 1959, and $4,800 for years after 1958, by'.

"(f) Section 5(l)(10) of such Act is amended by striking out '44', '11', '$350', '$15.40', '$36.66', '$27.50', and '$14.66' wherever they appear and inserting in lieu thereof '49', '12', '$400', '$16.95', '$40.33', '$30.25', and '$16.13', respectively.

"SEC. 4. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before the month next following the month of enactment of this Act all widows' and widowers' insurance annuities which began to accrue before the second calendar month next following the month of such enactment, and which, in accordance with the proviso in section 5(a) or section 5(b) of the Railroad Retirement Act of 1937, are payable in the amount of the spouse's annuity to which the widow or widower was entitled, and all annuities under the Railroad Retirement Act of 1935, are increased by 10 per centum.

"SEC. 5. (a) The amendments made by section 1 (other than subsection (b) thereof), by subsections (a) and (c) of section 2, and by subsection (b) of section 3 shall be effective only with respect to annuities (not including annuities to which section 4 applies) accruing for months after the month of enactment of this Act. The amendment made by subsection (b) of section 1 and by subsection (c) of section 3 shall be effective with respect to annuities accruing during the calendar year 1959 and subsequent calendar years. The amendment made by subsection (a) of section 3 shall be effective only with respect to lump-sum payments (under section 5(f)(2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. The amendments made by subsection (f) of section 3 shall be effective only with respect to annuities accruing for months after the month of enactment of this Act and lump-sum payments (under section 5(f)(1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. Section 4 shall be effective only with respect to pensions due in calendar months after the month next following the month of enactment of this Act and annuities accruing for months after the month of enactment of this Act.

"(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

"PART II—AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

"SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended to read as follows:

" 'SEC. 3201. Rate of Tax.

" 'In addition to other taxes, there is hereby imposed on the income of every employee a tax equal to—

" '(1) 6¾ percent of so much of the compensation paid to such employee for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

" '(2) 7¼ percent of so much of the compensation paid to such employee for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956.'

"(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out 'after December 31, 1954' wherever it appears and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (2) by striking out '$350' wherever it appears and inserting in lieu thereof '$400'; (3) by striking out 'after 1954' and inserting in lieu thereof 'after the month in which this provision was amended in 1959'.

"(c) Section 3211 of the Railroad Retirement Tax Act is amended to read as follows:

" 'SEC. 3211. Rate of Tax.

" 'In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to—

" '(1) 13½ percent of so much of the compensation paid to such employee representative for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

" '(2) 14½ percent of so much of the compensation paid to such employee representative for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided*, That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to twice the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by Social Security Amendments of 1956.'

"(d) (1) Section 3221 of the Railroad Retirement Tax Act is amended by striking out 'In addition to' and all that follows down through '$350' the first time it appears, and inserting in lieu thereof the following:

" '(a) In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to—

" '(1) 6¾ percent of so much of the compensation paid by such employer for services rendered to him after the month in which this provision was amended in 1959, and before January 1, 1962, and

" '(2) 7¼ percent of so much of the compensation paid by such employer for services rendered to him after December 31, 1961,

as is, with respect to any employee for any calendar month, not in excess of $400'.

"(2) Such section 3221 is further amended (A) by striking out 'after December 31, 1954' and 'after 1954' wherever they appear in that section and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (B) by striking out '$350' wherever else it appears in that section and inserting in lieu thereof '$400'; and (C) by adding at the end thereof the following new subsection:

" '(b) The rate of tax imposed by subsection (a) shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3111 at such time exceeds the rate provided by paragraph (2) of such section 3111 as amended by the Social Security Amendments of 1956.'

"SEC. 202. The amendments made by section 201 shall, except as otherwise provided in such amendments, be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid after the month of such enactment, for services rendered after such month of enactment.

"PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"SEC. 301. (a) Section 1(i) of the Railroad Unemployment Insurance Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof ': *Provided, however*, That in computing the compensation paid to any employee, no part of any month's compensation in excess of $300 for any month before July 1, 1954, or in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended, shall be recognized'.

" '(b) The first proviso of section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500".'

"SEC. 302. (a) Section 2(a) of the Railroad Unemployment Insurance Act is amended by striking out the language between '(i)' and '(ii)' and inserting in lieu thereof the following: 'for each day of unemployment in excess of four during any registration period, and'.

"(b) Section 2(a) of such Act is further amended by striking out columns I and II and inserting in lieu thereof the following:

" 'Column I Total Compensation	Column II Daily Benefit Rate
$500 to $699.99	$4.50
700 to 999.99	5.00
1,000 to 1,299.99	5.50
1,300 to 1,599.99	6.00
1,600 to 1,899.99	6.50
1,900 to 2,199.99	7.00
2,200 to 2,499.99	7.50
2,500 to 2,799.99	8.00
2,800 to 3,099.99	8.50
3,100 to 3,499.99	9.00
3,500 to 3,999.99	9.50
4,000 and over	10.20'.

"(c) The proviso in such section 2(a) is amended by striking out '50' and '$8.50' and inserting in lieu thereof '60' and '$10.20', respectively.

"SEC. 303. (a) Section 2(c) of the Railroad Unemployment Insurance Act is amended by striking out the period at the end thereof and inserting in lieu of such period a colon and the following: *'And provided further*, That, with respect to an employee who has ten or more years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, who did not voluntarily leave work without good cause or voluntarily retire, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the benefit year in which such rights are exhausted shall be deemed not to be ended until the last day of the extended benefit period determined under the following schedule, and the maximum number of days of, and amount of payment for, unemployment within such benefit year for which benefits may be paid to the employee shall be enlarged to include all compensable days of unemployment within such extended benefit period:

"'If the employee's "years of service" total—	The extended benefit period shall begin on the first day of unemployment following the day on which the employee exhausted his then current rights to normal benefits for days of unemployment and shall continue for successive fourteen-day periods (each of which period shall constitute a registration period) until the number of such fourteen-day periods totals—
10 and less than 15	7 (but not more than 65 days)
15 and over	13

but no such extended benefit period shall extend beyond the beginning of the first registration period in a benefit year in which the employee is again qualified for benefits in accordance with section 3 of this Act on the basis of compensation earned after the first of such successive fourteen-day periods has begun. For an employee who has ten or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has fourteen or more consecutive days of unemployment, and who is not a "qualified employee" for the general benefit year current when such unemployment commences but is or becomes a "qualified employee" for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences.'

"(b) An employee who has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, and who has after June 30, 1957, and before April 1, 1959, exhausted (within the meaning prescribed by the Railroad Retirement Board by regulation) his rights to unemployment benefits, shall be paid unemployment benefits for days of unemployment, not exceeding sixty-five, which occur in registration periods beginning on or after June 19, 1958, and before July 1, 1959, and which would not be days with respect to which he would be held entitled otherwise to receive unemployment benefits under the Railroad Unemployment Insurance Act, except that an employee who has filed, and established, a first claim for benefits under the Temporary Unemployment Compensation Act of 1958 may not thereafter establish a claim under this subsection, and an employee who has registered for, and established a claim for benefits under this subsection may not thereafter establish a claim under the Temporary Unemployment Compensation Act of 1958. Except to the extent inconsistent with this subsection, the provisions of the Railroad Unemployment Insurance Act shall be applicable in the administration of this subsection.

"(c) The Secretary of Labor, upon request, shall furnish the Board information deemed necessary by the Board for the administration of the provisions of subsection (b) hereof, and the Board, upon request, shall furnish the Secretary of Labor information deemed necessary by the Secretary for the administration of the Temporary Unemployment Compensation Act of 1958.

"SEC. 304. Section 3 of the Railroad Unemployment Insurance Act is amended by striking out '$400' and inserting in lieu thereof '$500'.

"SEC. 305. Section 4(a–2) of the Railroad Unemployment Insurance Act is amended by striking out subdivision (iv), and by striking out the semicolon at the end of subdivision (iii) and inserting in lieu thereof a period.

"SEC. 306. Section 8(a) of the Railroad Unemployment Insurance Act is amended (1) by inserting after 'June 30, 1954' where it first appears the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and is not in excess of $400 for any calendar month paid by him to any employee for services rendered to him after the month in which this Act was so amended'; (2) by inserting after 'June 30, 1954' where it appears for the second time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and to not more than $400 for any month after the month in which this Act was so amended'; (3) by inserting after 'June 30, 1954' where it appears for the third time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, or less than $400 if such month is after the month in which this Act was so amended'; (4) by striking out 'December 31, 1947' in paragraph 2 and inserting in lieu thereof 'the month in which this Act was amended in 1959'; and (5) by striking out the table (except the column headings) in such paragraph 2 and inserting in lieu thereof the following:

	Percent
"'$450,000,000 or more	1½
$400,000,000 or more but less than $450,000,000	2
$350,000,000 or more but less than $400,000,000	2½
$300,000,000 or more but less than $350,000,000	3
Less than $300,000,000	3¾'.

"SEC. 307. Section 8(b) of the Railroad Unemployment Insurance Act is amended (1) by striking out '3 per centum' and inserting in lieu thereof '3¾ per centum'; and (2) by inserting before the period at the end of the first sentence the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and as is not in excess of $400 paid to him for services rendered as an employee representative in any calendar month after the month in which this Act was so amended'.

"SEC. 308. (a) Subsection (d) of section 10 of the Railroad Unemployment Insurance Act be amended to read as follows:

"'(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payment of such benefits and refunds, and the Secretary shall make such transfer. Whenever the Board finds that the balance in the railroad unemployment insurance account, without regard to the amounts transferred pursuant to the next preceding sentence, is sufficient to pay such benefits and refunds, it shall request the Secretary of the Treasury to retransfer from the railroad unemployment insurance account to the credit of the Railroad Retirement Account such moneys as in its judgment are not needed for the payment of such benefits and refunds, plus interest at the rate of 3 per centum per annum, and the Secretary shall make such retransfer. In determining the balance in the railroad unemployment insurance account as of September 30 of any year pursuant to section 8(a) of this Act, any moneys transferred from the Railroad Retirement Account to the credit of the railroad unemployment insurance account which have not been retransferred as of such date from the latter account to the credit of the former, plus the interest accrued thereon to that date, shall be disregarded.'

"(b) The amendment made by this section shall take effect on the date of enactment of this Act.

"SEC. 309. The amendments made by section 301(b) shall be effective with respect to days in registration periods beginning after June 30, 1959. The amendments made by sections 302, 303(a), and 305 shall be effective with respect to benefits accruing in general benefit years which begin after the benefit year ending June 30, 1958, and in extended benefit periods which begin after December 31, 1957. The amendment made by section 304 shall be effective with respect to base years after the base year ending December 31, 1957. The amendments made by clauses (4) and (5) of section 306 and clause (1) of section 307 shall be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid for services rendered in calendar months after the month in which this Act was enacted."

The amendment was agreed to.

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

A motion to reconsider and a similar House bill, H.R. 5610, were laid on the table.

EXTENSION OF REMARKS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in three instances at this point in the RECORD.

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

There was no objection.

MODERN ROADS AND HIGHWAYS—NEW FORMULA NEEDED

Mr. PHILBIN. Mr. Speaker, Congress has constantly recognized the fact that modernized highways are an indispensable part of our great national transportation system. Time and time again this House has enacted legislation to strengthen our highway programs throughout the Nation.

The basic legislation adopted which commits the Government to a huge, long-term highway building program will be of incalculable value to the several States and the Federal Government in setting up many modern roads that will more adequately serve growing needs for speedy highway transportation.

In recent years, there has been a tremendous increase in the number of motor vehicles traversing our highways and the number of people utilizing this mode of transportation for travel, recreational and business purposes.

The distinguished gentleman from Maryland, Mr. FALLON, one of the ablest Members of the House, and his able distinguished committee, has given painstaking attention to highway transportation problems and may well be proud of the results of their diligent, effective work.

Admittedly the problem of reaching a proper formula by which Federal funds are allocated is fraught with no little complexity and difficulty. It is very hard to write a formula that will precisely take into account all the factors incident to the construction of highways by the States and confer absolutely equitable benefits across the board. In a program of this magnitude there is bound to be some omissions and shortcomings.

I personally thought that the formula proposed in the Fallon bill would have been preferable to the one adopted. Certainly it would have given my State and region more equitable treatment. In fact, it would mean perhaps about $500 million additional in the 10 years following 1959. Since the cost of State highways will be increased by some 40 percent over the original estimates this figure might have gone over $700 million additional that New England would have received under the Fallon formula.

I do not want to burden the House with further statistics, but I do urge that the committee may continue to give attention to the revision of the formula under which Federal highway funds are granted. Since some $40 billion or more will be spent by the Government to complete our interstate highway system, it is very important in my opinion that, insofar as it can possibly be done, there should be equitable apportionments and allocations of available funds.

Toward this objective, it would be very helpful if a new formula could be worked out and adopted by the Congress that would take into account the serious problems of highly congested areas in connection with highway construction.

Any formula that does not put adequate emphasis upon this factor and carefully weigh the inevitable high and rising costs of construction in urban areas, land taking values and the like, is not operating so as to deal equitably and fairly with a large number of our populous States—States that pay huge tax revenues and are entitled to receive a much higher share from the Government.

For these reasons, I urge the committee to give consideration at an early date to the revision of the formula allocating highway funds, and I sincerely hope that, in the interests of justice, many States which are thickly populated and where highway construction is urgent, may be given consideration under the Federal program.

BETTER AIRPORTS AND FACILITIES

Mr. PHILBIN. Mr. Speaker, like many other Members of the House, I was gratified that the very able committee reported to the House for passage the bill providing needed help for airport development throughout the Nation.

American aviation has made tremendous strides in the past decade and is still moving forward at a very rapid rate. Much has been done to improve aviation facilities and air travel. Almost unbelievable improvement has been made in cutting down the time of flights between various points in the Nation and the world. Jet propulsion has brought truly revolutionary changes in air travel. It is now possible to have luncheon in Boston and dinner in Los Angeles and in the time to come flying time will be undoubtedly cut still further.

In the light of these tremendously noteworthy and vital technical developments and the rapid progress that has been made, it is extremely important that every measure possible be taken by the Congress to support new and better airports, landing facilities, safety devices, flying aids and other aids to air navigation, travel, and traffic. The Government has been very generous in making outlays for these purposes, but the progress being made and the very sizable needs that are developing make it a matter of great urgency that further support and assistance be rendered in the important work of building up and modernizing our airport network so that we may be sure it is the best in the world, entirely adequate for all our needs in this rapidly changing period of expansion.

From the beginning of my service in Congress, I have been deeply devoted to the great task of encouraging, supporting and developing civilian aviation and all its components. I have been not only interested, but actively engaged, in fostering by sound Government action navigation aids, safety devices and assistance, and the general cause of building the aviation industry in all its ramifications.

It affords me considerable satisfaction, therefore, to support the airport bill and to stand for generous, substantial Government outlays to insure the proper development of airport and related facilities. I believe that, in the name of progress as well as prosperity and national security, the Government must continue to render effective assistance in this vital area.

"PADRE OF THE AMERICAS"

Mr. PHILBIN. Mr. Speaker, I want to express my deep appreciation to the very able and distinguished spiritual leader, Father Joseph F. Thorning, for the touching and most impressive prayer which he offered before the House on Pan American Day.

Father Thorning has had a most illustrious career and is an outstanding intellectual. He stands out in many fields. Above all, he shines brilliantly for his magnificant spiritual zeal, piety and good works. Humble and self-effacing, unalterably devoted to personal liberty, he continues day by day to make tremendous contributions, not only to his faith, but to the Nation and to the development of better human relations between all peoples whatever their race, color or creed.

Father Thorning has been especially noted for his interest in the Spanish-speaking peoples, and he has won the esteem, gratitude, and affection of the many who are genuinely concerned with his lofty objectives. Father Thorning has been well and appropriately named "The Padre of the Americas," and his ceaseless encouragement and effective promotion of the good-neighbor policy and friendly, realistic relations with our South American neighbors has been of inestimable benefit to our foreign policy as well as a great inspiration to all of us who are intent upon fostering cordial, constructive relations with our neighbors to the south.

In the press of great world questions which are testing our fortitude and resolution to preserve our blessed, American heritage, we must all recognize, as Father Thorning does, the invaluable contributions to freedom and democracy of our beloved neighbors of the Americas. Our esteem and love for them is great, because they are an integral, and vital part of our Western civilization, its ideals and aspirations.

We must ever nurture, warmly welcome and deeply appreciate their loyalty, devotion to ideals of freedom, community of spirit and wholehearted cooperation in the tasks that confront us in this generation of sustaining our security and freedom against the cynical forces of monolithic communism striving to conquer the free world.

Father Thorning's brilliant leadership in this cause aptly points the way by which, in the words of his prayer, "We may grow in Thy friendship and in our love for one another," and join hands to perpetuate the ideals of the good-neighbor policy, and bring even closer to our hearts the freedom-loving and God-fearing peoples of the Western Hemisphere and the Americas.

We may well be proud and grateful for Father Thorning's work in welding into an even closer union under the fatherhood of God and the brotherhood of man all those who are so intimately related to us in protecting the world against tyranny and preserving the priceless liberties of mankind.

DAIRY MARKETING ACT OF 1959

Mr. JOHNSON of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, never before has so much money been spent in the name of farm programs with so little benefit to farmers. During the first 6 fiscal years of this administration $30.3 billion has been spent by the U.S. Department of Agriculture. This compares with $5.9 billion spent during the 6 years before Secretary Benson took over.

In other words, Secretary Benson has spent $5 for every $1 spent by his predecessors during the same amount of time.

And what have we to show for this snowballing expenditure? Nearly 19,000 employees have been added to the Department of Agriculture payroll to handle a farm program that looks like nothing so much as grandma's patchwork quilt. And under this program—if it can be called a program—net farm income has fallen from $15.3 billion in 1952 to $13.2 billion in 1958.

One of the lowest men on the farm income totem pole is the dairy farmer. Since 1952 the price received by farmers for butterfat in cream has dropped from 75 cents a pound to 58 cents a pound. During the same period the price farmers got for milk for manufacturing purposes other than butter slid from $3.87 per hundredweight to only $3.12 per hundredweight for milk averaging 3.75 butterfat.

Mr. Speaker, in a time when prices farmers received for milk and butter have dropped by almost one-fourth, the prices farmers have to pay for production goods and services and family living items have gone up 6 percent. This has resulted in a devastating cost-price squeeze which has forced many hundreds of thousands of dairy farmers out of business.

Yesterday, my Wisconsin colleague, Congressman ROBERT KASTENMEIER, and I introduced in the House—and Senator HUBERT HUMPHREY of my neighboring State of Minnesota introduced in the Senate—the proposed Dairy Marketing Act of 1959 (H.R. 6750). Instead of picking at the problem piecemeal, this bill provides for a comprehensive, long-range income stabilization and improvement program for dairy producers.

This program would enable dairy farmers to assume responsibility for maintaining a sound and productive dairy industry which would, in turn, assure the consumers of the country an abundant supply of wholesome, nourishing dairy products. A self-regulating and largely self-financing program, it is designed to protect the public interest and at the same time avoid the present unfair situation under which dairy farmers are penalized for their efficiency and productivity.

Mr. Speaker, this is not a program of planned scarcity, it is a program of regulated abundance set up to benefit both consumers and producers. Regulated abundance would assure consumers an ample supply of dairy products at the fairest possible price. Consumers must remember that the alternative to regulated abundance is planned scarcity.

Regulated abundance is also the farmer's first choice. I know my farmers, and I know they do not care to guarantee their dairy prices and income by planned starvation of their city friends and neighbors. Farmers just want to make a decent living, and they do not intend to do it at the expense of somebody else.

The existing dairy support program, which provides supports at little more than $3 per hundredweight, cost the Government $404 million in 1956, $230 million in 1957, and $245 million in 1958. My bill would support dairy producers' returns at $4 per hundredweight. Even under adverse economic conditions, this program would cut the cost to the Government by better than half.

My dairy marketing bill is designed to provide for mandatory price supports through the marketing year ending in 1964 for milk used in manufacturing dairy products and for butterfat. This bill also aims at maintaining the productive capacity of our dairy farming industry, promoting the orderly marketing of an adequate national supply of milk and dairy products and encouraging the increased domestic consumption of dairy products in the interest of national health and security.

Mr. Speaker, here is a summary of the six major provisions of the bill:

First. It would establish the support level of 90 percent of parity for butterfat and manufacturing milk at less cost to the Government than the existing 75 percent of parity program;

Second. It would set up a system of marketing quotas geared to the degree to which the market price without a program would be below the support level under conditions of full employment;

Third. It would provide price-support deficiency payments directly to producers to make up for the extent to which market prices were allowed to drop below the support level, and it would set quotas to allow full-employment market supply to flow into the market even if the price was depressed by unemployment above the level of 3 percent of the labor force;

Fourth. It would require Government purchases to keep the market price of the different milk products in reasonable balance with each other;

Fifth. It would set up a system of marketing quota compliance deposits of between 25 and 50 cents per hundredweight. These deposits would be collected on all sales of milk but would be returned in full at the end of the year to producers who complied with their quotas; and,

Sixth. It would give milk producers a chance to vote on whether or not they want this program to go into effect.

Mr. Speaker, I have given the complex problem of dairy prices a considerable amount of study over a period of many years. Since I have been in Congress, I have worked in every way I could to preserve for dairy farmers the programs they have and to discover and support workable ways of bettering those programs for the benefit of dairymen, consumers, and the taxpayers of America.

The bill I am introducing today is the result of a long series of consultations with Senator HUMPHREY and with top experts in the fields of dairying and economics. Its provisions have been checked and rechecked to make sure they are practical, workable, and would not shortchange anyone along the line. I am sure that my colleagues, realizing the seriousness of the plight of the dairyman, will give my dairy marketing bill their serious consideration.

Opponents of this type of legislation have been saying that the dairy farmer does not want marketing quotas. I do not know from which crystal ball they got their information. The dairy farmers of this country have never had the chance to say "yes," "no," or "maybe" to a quota system.

I would be the last one in the world to foist off on dairymen a program they do not want. But I say let the dairy farmers decide. Under the provisions of this bill, dairymen would make the final decision, for the program could not go into effect until approved by a majority vote of all milk producers.

LAW DAY U.S.A.—PROTECTING THE RIGHTS OF THE INDIVIDUAL CITIZEN

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

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

There was no objection.

Mr. TELLER. Mr. Speaker, May 1, 1959, has been proclaimed as Law Day in the United States. This is a fitting recognition of the role of law as the binding force of our civilization. In the proclamation the President called upon the American people to observe this day not only with appropriate ceremonies, but also by reaffirmation of their dedication to our form of Government and to the supremacy of law in their lives. A free people can assure the blessings of liberty for themselves only if they recognize that the rule of law shall be supreme and that all men shall be equal before the law. This Nation was conceived by our forefathers as a Nation of free men enjoying ordered liberty under law. The supremacy of law is essential to the existence of the Nation. Appreciation of the importance of law in the daily lives of our citizens is a source of national strength which contributes to public understanding of the necessity for the rule of law and the protection of the rights of the individual citizen. By directing the attenion of the world to the liberty under law which we enjoy and to the accomplishments of our system of free enterprise we would emphasize the contrast between our freedom and the tyranny which enslaves the people of one-third of the world today. In paying tribute to the rule of law between men, we will contribute to the elevation of the rule of law and its application to the solution of controversies between nations.

It is particularly appropriate that May the first be chosen for this Nation's rededication to its ideals of freedom and justice secured by law. That is the day the Communists celebrate their victories and boastfully parade the armed might by which they intend to enslave the world. For years Communists have held the spotlight on this day, with impressive parades displaying the force they have marshalled to crush the rights of men and nations. On every May day the air waves are filled with impassioned harangues prophesying the eventual downfall of what the Communists scornfully term decadent nations who cherish and protect the values of individual personality. Year after year they have served notice of what is in

store for mankind if their system of government should prevail.

Law Day U.S.A. affords a fitting occasion to emphasize to all the world the fundamental difference between that system and ours—between the monolithic state in which the individual counts for nothing and has no rights whatever against the government, and a democracy in which individuals are endowed with certain unalienable rights, of which government itself may not deprive them. It is an opportunity to contrast the totalitarian doctrine that the individual is the mere pawn of the state, with our system whose prime objective is to preserve the rights of individuals and to afford each the chance to develop to the fullest the physical, mental, and spiritual attributes with which his Creator endowed him. It is an appropriate time to underscore the difference between the doctrine that might makes right and the concept that all men are equally subject to the law and that no man, however powerful, is above the law.

In paying tribute on that day to the supremacy of law and the concept of individual freedom under law, we will demonstrate that these ideals are as precious to us today as they were 170 years ago. By reaffirming our determination to preserve them, we will give renewed assurance that ours is the way of hope and not of fear; that our strength will be used only to preserve freedom, not to overthrow it. We will inspire those who have never known what it means to live under a government of law to seek the same rights for themselves. We will encourage them to join with us in a common effort to make law in the field of international relations an instrument for achieving an enduring peace.

But to attain these larger ends we must mark this day by something more than a reaffirmation of faith in lofty ideals, something more than a contrast between one philosophy of government and another. We must show as clearly as we can what our ideals mean as applied in the daily lives of ordinary men. We must make clear how our law protects every man, great or small, and guarantees that no man—not even one who despises our Constitution—may be deprived of his life, liberty, or property without due process of law. Only thus can we convince others that the rule of law in a democracy is in truth the affirmation of the God-given dignity of human personality, the recognition that government is the servant and not the master of the people, that the state exists for man, not man for the state.

We must also convince strangers to our way of life that ordered liberty under law is the handmaiden and not the foe of progress. We must make all men realize what it means for human beings—the ordinary folk by whose labors progress is achieved, to be released from the fear of the police-state methods—the spy, the informer, the knock of the secret police on the door, the mysterious disappearance in the middle of the night, the pretended trial, or the firing squad.

It is no accident that in little more than a century the United States was transformed from a small Nation of 13 impoverished colonies to that of the strongest Nation in the world. We know, and we should try to make other men understand, that the secret of this rapid progress lies in the simple fact that the energy and the imagination of our people have not been cramped by the fears and sense of insecurity which are ever present in the police state. If all people could be brought to an understanding of the great release of energies that follows the lifting of that pall of fear the day would soon dawn when the supremacy of law would be recognized throughout the world.

But it is not merely those who have never known what it is to live under a rule of law to whom the message of Law Day U.S.A. should be addressed. Our own people need to be reminded of the meaning of, and the reasons for, the supremacy of law as confirmed by the Bill of Rights of our Constitution. History has proved that there are some lessons that have to be taught over and over again to each generation. The corrupting influence of unrestrained power, even in the hands of good people, the truth that justice is indivisible, that it cannot long be enjoyed by the best and most law-abiding of our citizens if it is denied to the meanest offender, are chief among the lessons that each generation must learn anew.

It is the procedural safeguards imposed by law rather than its substantive guarantees that stand in greatest need of exposition and defense to our own citizenry. Americans are a freedom-loving, law-abiding people. They have inherited an innate sense of justice. They instinctively resent injustice when they are made aware that it is being perpetrated. There is little need to elaborate to them the importance of the guarantees of freedom of speech, and of the press, freedom of religion, and security from arbitrary deprivation of life, liberty or property. But to those who have never been arrested or tried on a criminal indictment, the wisdom of the great procedural guarantees of the constitution are not always so clearly apparent.

Many of the people who came to this continent in colonial times, like many of those who have come in our own day, were refugees from political and religious persecution in the Old World. They knew all too well the methods used by bigots and tyrants to crush the bodies and spirits of those who asked only the liberty to think and to worship as they pleased. They knew from bitter experience the dangers of arbitrary arrest, of unlawful searches and seizures, of confessions extorted by torture, of mock trials before judges who were but lackeys of the ruling power. They knew, too, the terrible cost, in blood and toil, of winning the right to live their lives under a rule of law. To them the guarantees of the right to a trial by a jury of one's peers, the right to confront one's accusers, to be represented by counsel, to have compulsory process to compel the attendance of witnesses in one's favor, the privilege against self-incrimination, security against unreasonable searches and seizures, the assurance that no man shall be twice put in jeopardy for the same offense, and that no one shall be held to answer for an infamous crime except upon presentation by a grand jury, were much more than expressions of abstract theory. These were the most practicable safeguards experience had devised to prevent repetition of specific abuses our forefathers had suffered.

Foremost among the grievances set out in the Declaration of Independence were the acts of the King in depriving the colonists of trial by jury in many cases, and in making judges subservient to his will by controlling their tenure and emoluments.

Thus it is not surprising that the men who drafted the Constitution and the Bill of Rights sought to assure, as far as words in a written compact can, that there would be no repetition of these evil practices under the new government. Not one, but three different sections of the Constitution and the Bill of Rights confirm the right of trial by jury. Article III, section 2, of the original Constitution stipulated with unmistakable clarity that "the trial of all crimes except in cases of impeachment, shall be by jury." To make assurance doubly sure, this guarantee was repeated and elaborated in the sixth amendment. "In all criminal prosecutions," it reads, "the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed." By the seventh amendment the right of trial by jury was preserved in suits at common law, where the value in controversy shall exceed $20.

Although many of our most cherished rights were first vindicated by courageous juries who defied the commands of judges, our forefathers knew that the supremacy of law could never be made a complete reality unless the courts that administered it were upright and independent. To assure this independence in the Federal judiciary, they provided in article III, section 1 of the Constitution, that Federal judges shall hold their offices during good behavior, and shall receive for their services a compensation which shall not be diminished during their continuance in office.

These and all the other guarantees of the Constitution were the result of mature consideration by men who loved liberty and feared power, who knew that no matter how strong the constitutional affirmation of substantive rights, they would avail little unless suitable institutions were provided and clothed with ample power to see that these mandates were respected.

One hundred and seventy years of testing have vindicated the wisdom of these provisions. Nevertheless, both of these venerated institutions—trial by jury and the independent Federal judiciary—have come under attack from many quarters in the last few years. The most vocal criticism has come from persons who seem to have little accurate knowledge about the functioning of either. Almost without exception their detractors have forgotten their history and apparently have no comprehension of the dangers which would attend any alternative methods of bringing the

power of the State to bear on individuals.

Reliance upon trial by jury for protection against oppressive or over-zealous prosecutors is so rooted in the traditions of our people that there is little danger that it could be overthrown by direct assault. From time immemorial, the plain people have regarded it as the bulwark of their liberties.

Out of centuries of trial and error the jury system was developed as the best possible instrument for harnessing the intuitive good sense and spirit of fair play of the ordinary men and women in the administration of justice. It is an ideal arrangement for keeping the development of the law in harmony with ideals and aspirations of the people whom law is intended to serve. Long experience confirms the conviction that there can be no greater assurance of justice than the judgment of 12 honest members of the community. To be sure, juries are not infallible, but 12 men are less likely to err in weighing evidence than one. Furthermore, when juries err, it is more likely to be on the side of mercy than of vengeance.

One of the most serious consequences of ill-advised attacks on juries and the disparagement of their role in the administration of justice is to make it seem unimportant in the eyes of those who are called upon to render this service to the community. If they are led to believe that it is of little consequence, they will be more inclined to seek excuses for evading this duty. This unfortunate trend can be observed in many parts of the United States today, especially in larger communities. There is no more important and honorable service a civilian can perform for his fellow men than by participating as a juror in the administration of justice. And there is no better school for citizen education than the jury. There men learn by applying it just what the law means in actual operation as it affects the lives and property of their neighbors. Any belittling of this service, which discourages men from undertaking it, is a grave disservice to that supremacy of law to which we are dedicated.

In recent years our courts, especially the Supreme Court of the United States, have also become the object of increasingly bitter attacks as a result of their faithful adherence both to the letter and to the spirit of the Bill of Rights. If James Madison or Thomas Jefferson could return to earth today, he would be amazed almost beyond belief to discover that the decisions which have evoked the sharpest criticism have been those which gave substance to the right of individuals to a fair trial. I cite in particular two cases which have occasioned criticism as widespread as it has been unjust: *Jencks* v. *United States*, 353 U.S. 657, and *Mallory* v. *United States*, 354 U.S. 449, both decided less than 2 years ago.

The decision in the Jencks case has been so widely misinterpreted that it behooves us to look closely at its facts and to analyze the point actually decided by the Supreme Court.

There, as you will remember, Jencks, as president of a local union of the International Union of Mine, Mill, and Smelter Workers, had filed a non-Communist affidavit with the National Labor Relations Board, pursuant to the Taft-Hartley Act. He was indicted on charges that he had sworn falsely in that affidavit that he was not a member of, or affiliated with, the Communist Party. The principal witnesses against him were one J. W. Ford and Harvey Matusow. Both Ford and Matusow were Communist Party members paid by the FBI to report on Communist Party activities in which they participated. They made such reports about activities in which Jencks allegedly took part, and testified at the trial about those activities.

Ford was a member of the Communist Party of New Mexico from 1946 to September 1950, and from 1948 was a member of the State board and a party security officer. He testified that Jencks was also a party and State board member. He related in detail the occurrences at five closed party meetings which he said Jencks attended in 1948 and 1949.

Matusow swore that in July or August 1950 he spent a 10-day vacation on a ranch in New Mexico with Jencks and others. He testified to a number of conversations with Jencks there. In one of these conversations, according to Matusow's testimony, Jencks told him of a program he was developing with leaders of the Mexican Miners Union to negotiate simultaneous expiration dates of collective bargaining agreements to further a joint action of Mexican and American workers to cut off production and slow down the Korean war effort. Matusow also testified that when he told Jencks he had joined the Mexican-American Association, Jencks told him that was proper Communist work because the association was a key organization, controlled by the party, for Communist activities in New Mexico, and that he, Jencks, was active in the association in the Silver City area.

Both Ford and Matusow testified that they had submitted oral and written reports to the FBI concerning the meetings Jencks was said to have attended, and to conversations had with him. After their testimony, Jencks moved for an order directing an inspection of the reports these witnesses had made to the FBI concerning the matters about which they had testified. The Government opposed these motions on the ground that a preliminary foundation had not been laid showing inconsistency between the contents of the reports and the testimony of Ford and Matusow. The trial court denied the motions. Jencks was convicted and his conviction was affirmed by the court of appeals.

The Supreme Court reversed this decision, thus halting a dangerous and indefensible curtailment of individual rights. It held that Jencks was entitled to inspect these reports to determine whether to use them in his own defense. The Court further held that when the Government thinks that disclosure of such reports would be contrary to the public interest it must dismiss the prosecution; that in criminal cases the Government can invoke its evidentiary privileges only at the price of letting the defendant go free.

It cannot be emphasized too strongly that this decision does not give any general right to demand access to documents in the possession of the Government. It applies only to very limited classes of documents—reports made by persons whom the Government calls as witnesses to testify against the accused. If the Government does not call such persons as witnesses, this case does not apply.

Even if these two witnesses had been men of unimpeachable integrity, this decision would have been necessary to assure a fair trial to the accused. Inaccuracy of observation and the treachery of the human memory makes for a serious danger of error in the testimony of the most honest witness. To combat this possibility the accused must be afforded the fullest opportunity to impeach this testimony by every available means. No method of impeachment is more persuasive than a comparison of statements or reports made at the time of an alleged occurrence, and those made at a trial months or years later. That the reports Jencks sought to examine were potentially of great value to his defense could not have been denied.

The fact that one of the witnesses on whose testimony Jencks was convicted was the notorious Harvey Matusow greatly aggravated the unfairness of withholding the requested reports. Matusow was the informer who recanted much of the testimony he had given in several prosecutions of alleged Communists. Indeed, he recanted as deliberately false the testimony he had given at Jencks' trial. On the basis of this recantation, Jencks had moved for a new trial while his appeal was pending but the district court had denied the motion.

This Matusow episode is one of the sorriest chapters in the history of law enforcement by the Federal Government. Nothing could demonstrate more clearly the necessity of a courageous and independent judiciary to temper the zeal of prosecuting officers. I do not know whether Jencks was innocent or guilty of the charges made against him. But who of us could feel secure if on the basis of senseless fabrications by such an unstable character, we could be indicted and tried without the fullest opportunity to probe, and to reveal, the consistency or inconsistency of everything such a witness had said or done which had any bearing on his charges. I am confident that on sober second thought, our people will overwhelmingly approve of, and be grateful for, the decision of the Supreme Court in this case. I am equally confident that when they do fully grasp its import they will demand the repeal of the statute which Congress enacted in ill-advised haste, to restrict the application of the principles which it announced.

The Mallory decision has also been much misunderstood. Mallory was a 19-year-old lad of limited intelligence

who had been convicted of rape in the District of Columbia and sentenced to death. The decisive evidence offered against him at the trial was his own confession. He had been arrested early in the afternoon. Despite the fact that there were numerous committing officers in the vicinity, he was not taken before any of them until the next morning. While detained at police headquarters, he was questioned intensively by police officers and given a lie-detector test. About 9:30 in the evening he confessed. During all the previous interrogating he was not advised of his right to a preliminary hearing nor of his right to have counsel. Neither was he informed that he had a right to refuse to answer questions or to take a lie-detector test. He was not warned that any statement which he made might be used against him. The Supreme Court set aside this conviction, holding that it violates the rule which requires arresting officers to take a person who has been arrested before the nearest available committing officer without unnecessary delay.

It should not be overlooked that this Mallory decision was handed down by a unanimous Court. From a tribunal which is sharply divided on so many issues, this high degree of agreement is itself a strong testimonial to the validity of the conclusions reached. But, in truth, the decisions in both cases are so intrinsically sound that they need no such tokens to vouch their worth. Both simply accorded to persons on trial for their life or liberty elementary protection against overreaching prosecutors. They simply assured these accused of rights you or I would want for ourselves if we should have the misfortune to be charged with crime. Surely there can be no justice in permitting the Government to withhold from a defendant information in its possession which he must have to be able effectively to cross-examine the witnesses it calls against him. Certainly it smacks of the police state to allow arresting officers to keep a suspect in custody for hours without taking him before a committing magistrate, and to question him relentlessly without advising him of his right to remain silent, or warning him that what he says may be used against him.

It is one of the glories of our legal system that it rests on the concept that it is better to let 99 guilty men go free than to subject 1 innocent man to unjust punishment. Neither the Jencks nor the Mallory decision can be expected to let any significant number of guilty men go free. At worst they may in exceptional circumstances frustrate the successful prosecution of a guilty man. But in the ordinary case they will simply require police officers and prosecutors to be more resourceful and alert in gathering and presenting evidence. The long-run consequences of these decisions will be not only greater protection for innocent persons who are accused of crime but also for the community itself. It must never be forgotten that when, by allowing police officers and prosecutors to take the easy way, an innocent man is convicted, the guilty person, the one who actually committed the offense, remains at large to continue his depredations against society. The self-interest of the community as well as the demands of justice are best served when the courts insist upon the most rigorous adherence to the requirement of fair and impartial trials. The very fact that cases like these should arise and be carried to the Supreme Court reminds us that oppression is not a foe that can be forever vanquished and laid to rest. It is a warning that we must not be lulled into complacency by any easy assumption that "it can't happen here"; that we, or some of us, are favorites of a gracious providence which will protect us from our own folly in spite of our indifference to the fate of those who are the first victims of encroaching tyranny. Wise men have warned us again and again that the greatest danger to liberty is not that it shall be wrested from us in a frontal assault by an avowed foe, but rather that it will be nibbled away by almost imperceptible degrees. The first inroads are usually made by good men who sincerely believe that they can more efficiently promote other lesser objectives they deem desirable if they are allowed to commit a few small trespasses on personal liberty. But if history teaches anything it is that powers thus acquired by well-meaning men will sooner or later fall into the hands of evildoers. These men will use these powers, not for the good of the people but to enlarge and extend their own authority, until they are so firmly entrenched that they can be dislodged only by another long and costly struggle.

The only defense against such encroachments is the unsleeping vigilance of a liberty-loving people. The men who founded our Government knew that there is no final victory in the war against oppression; that it is a struggle which must be waged anew by each generation. But by the clear and unambiguous mandates of the Bill of Rights, they prepared for us entrenched positions from which to repel assaults on our liberties. It is a far easier task for us to hold ground already won than it was for our forefathers to gain it. Far easier also than it would be to regain it if we allowed it to be captured by foes of freedom and justice. We who are the beneficiaries of this heritage of the supremacy of law are trustees of a sacred trust. We have a solemn obligation to preserve intact the legacy of freedom which our fathers bequeathed to us and to pass it on undiminished to our children.

This obligation rests with special force upon those of us who have the honor and privilege to sit as Members of the House of Representatives. The Bill of Rights, unlike the Contitution itself, was not formulated by the Constitutional Convention. It was initiated by the House of Representatives under the leadership of James Madison, then a Representative from Virginia. To be sure, this House did not originate the concepts embodied in the first 10 amendments. They were the outgrowth of the whole experience of our people. But whenever we are tempted to express impatience with the application of these principles in particular cases, let us recall that it was through the medium of amendments proposed in this House that the great guarantees which, in sum, assure the supremacy of law in this country were incorporated in our great charter.

To those of us in whom the people of the United States have confided the authority to make all laws necessary and proper to give effect to our Constitution, Law Day-U.S.A. is a reminder of our affirmative duty to play an active part in preserving the ideal of liberty under law. It is a reminder of the oath each of us took to support the Constitution of the United States, not one part or most parts, but every article and section of that venerable document. This means that each of us has an inescapable, personal responsibility to make sure that every bill we sponsor, every measure we vote for, is consistent not only with the letter but also with the spirit of the Bill of Rights. It means that our every utterance, on the floor of this House or elsewhere, should be in harmony with that spirit. We must be vigilant that no word of ours, anywhere or at any time, shall give aid and comfort to those who scoff at the rights and liberties guaranteed by the Constitution.

This responsibility to uphold the rule of law cannot be shifted or evaded. It will not do to say that if we pass a law which will deprive any person of his rights the courts will declare it unconstitutional. No doubt they will, but much mischief may ensue before the courts have an opportunity to set the matter to rights. Moreover, it is unfair to the courts to expect them to bear the whole burden of maintaining the supremacy of law. Especially is this true in times of tension, when popular feeling runs high and emotions blur the peoples' understanding of decisions which protect their rights. In times such as these we should be in the front ranks, sharing with the courts the task of repealing onslaughts against our rights and liberties. We should not only be the most vigorous defenders of decisions, however unpopular, which give reality to the ideal of equal justice under law. We should also be diligent to adopt any legislation which may be needful in promoting the same great ends the courts seek to serve by their decisions.

Only thus can we keep faith with ourselves and our posterity. Only thus can we fulfill the glorious mission we accepted when we became Members of the House of Representatives.

HON. JAMES G. POLK

Mr. RHODES 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. RHODES of Pennsylvania. Mr. Speaker, it was with much sorrow that I learned of the death of our friend and colleague, James G. Polk.

Jim was a modest man and a friendly one. He had a rare courage and high

principles and was both loyal and conscientious. His kindness, his courtesy, and devotion to duty made him loved and respected by Members on both sides of the aisle. He will long be remembered for these qualities which many strive for but few possess.

I have considered him a very dear friend ever since I first became acquainted with him back in 1949 when I first came to Congress.

I join with his many friends in paying tribute to Jim Polk, and extend to his widow and family my deepest sympathy.

CORN TASSEL AS OUR NATIONAL FLOWER

Mr. PRICE. 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 Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include a poetry composition of Mrs. Harry N. Rosinos, 215 Lincoln Street, Edwardsville, Ill., in my congressional district.

Mrs. Rosinos was inspired by her interest in the movement to adopt the corn tassel as the official flower of the United States, and in the following poem entitled "Golden Fingers" she expresses "a sincere appreciation for the beauty of the corn and its additional virtue of providing food for man":

GOLDEN FINGERS

Golden fingers tipped with silver,
Hand uplifted to an azure sky,
Raising its emerald tower
Is the Prairie corn,
Borne from the earth's soft bed of brown.
"Maize" by the copper-tinted
Aborigines called,
Under the sun's torrid rays
It thrives,
And from the rain's glistening fountain
Does it drink.
In farflung fields across
The Prairie State
It grows, blossoms, and
In russet, golden ears
Gives forth its nutrient
Present to mankind.
No beauty here?
Ah! Mark the slender spearlike
Green of its scion's venturous blade.
Mark the straightness of its stalk
As it reaches to the sky.
Mark the blades to many
Graceful, bending arches grown.
Then the golden-silver hand
Lets fall its speck of
Fertilizing power,
'Til the moist, chartreuse silk
Receives its gladsome guest and
Sucks it to its hidden heart.
Sun, rain, humid heat perform their tasks
Until the autumn renders up the golden grain
To give to man its bounteous treasure
Of healthful, luscious sustenance,
Fit for any royal store.
That rose, violet, columbine,
Pansy, too,
All have their beauty
None can forsay.
A beauty to delight the eye alone.
Golden maize, the Indians' gift,
Has more than this to give
A native brave for its symbolic arms.
It has not only beauty for the eye,
But strength for body, too.
Take this great gift from
The Prairie State
And let it be the floral emblem of our land
To echo to the peoples everywhere
The beauty and strength
Which is America!

AMENDING FEDERAL AIRPORT ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, with House amendments thereto, insist on the House amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARRIS, WILLIAMS, MACK of Illinois, ROBERTS, BENNETT of Michigan, SPRINGER, and BUSH.

FIDEL CASTRO'S THIRD ORDEAL

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, Fidel Castro has successfully undergone two ordeals. Now he faces a third. He led his scant forces to victory over Batista and his hoodlums. That was his first ordeal. Then, as his second ordeal, he came to the United States, faced the best interrogators in the land and convinced them of his good faith, and his determination on the side of democracy.

His third ordeal requires the same high degree of bravery, intelligence and patience. This is the ordeal of high public office. Like a character out of John Bunyan, Fidel Castro strides from one fearsome test to another. He has won control of Cuba. He has convinced fair-minded persons that his motives are good.

Now the question is, can he govern? Can Fidel Castro guide Cuba through a period of transition to free elections?

The task facing him is formidable.

TREMENDOUS PROBLEMS TO OVERCOME

Consider the tremendous problems:

New, predominantly untrained and inexperienced government leaders and employees; a huge debt resulting from Batista's follies and embezzlements; the strong wish for social and economic changes, particularly toward better educational and economic conditions for the people; and, in the middle, with money and know-how, to take advantage of the disorganization and ferment, the Communists and their dupes.

CUBANS DESIRE HONEST GOVERNMENT

There are positive factors, too:

The deep desire among Cubans for an honest and democratic government; the basic richness of Cuba's human and physical resources; the almost universal distaste for Communists and their teachings; and, finally, a factor now more appreciated by Castro and his colleagues, the desire and the ability of the United States to help Cuba attain not just a stable government, but democratic, honest, and solvent government.

One evening when he was in Washington I talked with Fidel Castro for more than an hour at the Cuban Embassy. He had just returned from his walk in Meridian Park. Among those present were two of his cabinet ministers, Lopez Fresquet and Regino Boti, both very able men; also his Ambassadors to the United States, to the United Nations, and to the Organization of American States, and a former Ambassador of Cuba to the United States.

I asked if it was true that Marxism was being taught under the direction of Raul Castro at Camp Libertad. This is what the State Department had told me. Teaching Marxism in college is one thing. Indoctrinating simple soldiers with class hatred is quite another.

Fidel denied the charge. He was incredulous. "Would I allow the Communists to destroy the army I have built?" he asked.

He went on to say that we in the United States would do better to attack communism at its social and economic roots. He pointed out that hysterical attacks and alarms by us only tended to strengthen it in Latin America.

ADMINISTRATORS AT WORK IN CUBA, CASTRO SAYS

"When does the speechmaking stop and the hard, detailed, and organized work of administering the country start?" I asked. He protested that he had good administrators in action right now and indicated his Minister of Finance, Lopez Fresquet, and others in the room. He admitted that he himself was disorganized but said that despite appearances he knew where everything was.

"It is like a room you live in," he said. "It may look mussed up, but you know where everything is." If he dies, he conceded, this does make a problem for his successor. He said he has to live in three or four houses because when people waited outside his house for a long time in order to have a word with him he could not pass them by.

I asked him why he criticized José Figueres, former President of Costa Rica and a democrat of great stature in this hemisphere. "Pepe thinks he is the dean of the revolutionaries," Castro said. "When he was in Havana he criticized my Government in a speech to the Cuban people. What would you think if I made a speech here criticizing your State Department?"

The Trujillo radio from the so-called Dominican Republic credits me April 22 with advising Castro not to give "imprudent replies." If so, I've done very well. He succeeded very well in reassuring 15 Senators at the Capitol in a closed meeting where, through the courtesy of Senator FULBRIGHT, I was present. The questions from the Senators were keen and to the point. The answers were the same. Not a harsh word was spoken.

HOW WOULD TRUJILLO FARE?

I wonder how well Rafael Trujillo, Dominican dictator, would have done

under these circumstances? Or before the American Society of Newspaper Editors? Or before the outstanding reporters and columnists who make up the membership of the National Press Club? I really am not in doubt. He would fall flat on his face.

If Trujillo is willing, I'll be glad to try to make the arrangements, although I'll waive my rights to advise him. He will have to make his own "imprudent replies." Perhaps his son, Rafael, Jr., once a well-known raconteur, would help. Of course, for a price, he can always buy the devoted services of Washington lawyer Charles Patrick Clark, Trujillo's ex-employee, who still serves Franco, or Washington lawyer John Frank, another Trujillo ex-employee, or Washington public relations man John Kieffer, who may, however, be something of a Jonah, considering that Dictators Perez Jimenez and Batista, of Cuba, both were shot out from under him.

Castro received, on the whole, fair and friendly treatment from the press, as indicated by articles I shall append to these remarks.

He also received criticism, some good, some bad, which is normal and proper in any democracy. Time magazine and the Washington Post and the Washington Star used a picture of him shaking hands with the Soviet Ambassador at his reception for Washington officials. Menshekov was just behind me, my wife and my friend Sam Brown, of Tacoma. Defense Secretary McElroy was also in that line. Cuba still has no diplomatic relations with the Soviet Union. Our Government, along with all responsible persons, does not believe Castro to be sympathetic with the Soviet Union but rather opposed to the Communist regime as a dictatorship.

A LACK OF OBJECTIVITY

The Washington papers did use other pictures during Castro's stay, but for Time magazine to use this as their only picture to illustrate their story of his visit in Washington demonstrates Time's lack of objectivity in this instance, to say it mildly.

Time magazine, on the whole, is a useful and positive force in our relations with Latin America. I shared and share many of their reservations and doubts with respect to Cuban affairs but not including any with respect to the good faith of Fidel Castro.

Also consider what Spruille Braden, former Assistant Secretary of State who served as U.S. Ambassador to Cuba, Colombia, and Argentina, said in the Oregonian, April 16:

> Castro and his rebel band are enemies of the United States and our democratic ideals. He is a pawn, wittingly or unwittingly, in the Kremlin's international intrigue, to bring Cuba under Communist domination.

Mr. Braden is out of touch. Fidel Castro is not an enemy of the United States. He is a friend. He is not opposed to our democratic ideals. He seeks to put them into operation and in doing so reminds many of us to cherish and, in some instances, to refurbish our own practicing of what we preach.

U.S. News & World Report, April 20, carried a piece entitled "Is Castro Linked to Communists?" They quote a "non-U.S., confidencial intelligence memorandum" stating, "There is nothing to indicate that Fidel Castro is, or has been, a Communist." Then they go ahead to make it appear he is surrounded by Communists. They use phrases which bring back McCarthyism.

For example, speaking of three highly placed Fidelistas, they say, "All three are outright Communists or ardent 'fellow travelers'." Whether a man is a Communist, especially an outright one, is a fact, but whether he is a fellow traveler, with or without quotation marks, and ardent or not, is largely a matter of opinion. The two phrases should not be linked.

In my opinion articles like this one can do a lot of harm. First, they confuse anti-Americanism with pro-Sovietism—that is, international communism—and, second, they build up the Communists in Cuba and elsewhere in Latin America by making them seem far stronger than they are, which can only help Communists there, and dismay and handicap anti-Communists both here and there.

The article in U.S. News & World Report May 4 was much better. The writers had in the meantime an opportunity to see Fidel Castro close up. Their conclusion was that it was "much more likely" that he was "incredibly naive" about communism rather than "under Communist discipline."

I would say rather he is "credibly naive" in terms of his background and the circumstances in Cuba at this time. There is some of the same confusion between the social justice Communists and the international conspiracy Communists in Cuba as exist to some extent in Venezuela and elsewhere in Latin America. Castro has to learn, as others have, that the latter invariably and inevitably overcomes the former.

HIS VISIT HERE WAS HELPFUL

Fidel Castro's visit contributed to better understanding on both sides. I think he now realizes much better than he did how much the U.S. Government and people here generally want to help him build a democratic and honest Cuba. And more North Americans realize better his good faith and determination.

Cuba needs the United States and the United States needs Cuba. More than that, we like each other and our peoples are natural friends.

I want to conclude by listing, with due respect and with no warranties as to infallability, several measures which I believe Fidel Castro should seriously consider adopting without delay. They are as follows:

SEVEN SUGGESTED STEPS TOWARD BETTER GOVERNMENT

First. Reduce speechmaking to no more than one oration a week. Sit down at his desk. Meet and work with his correspondence secretaries, including J. Ossorio, who handles letters from the United States. Get organized. Castro's own knowledge of military staff organization should be applied. In short, he should face up to this third ordeal and triumph gloriously as in the other ordeals.

Second. Bar Communists from holding executive or judicial offices in the Cuban Government or in labor unions. Of course I do not propose a witch hunt, but only that Castro recognize a Communist cannot be loyal to Cuba, and act accordingly.

Third. Castro should give his personal attention to the democratic organization of labor unions. See that Vincente Rubiera has a fair hearing with respect to his ousting as General Secretary of the Cuba Telephone workers. It is highly important that labor, both in and out of Cuba, work side by side with Castro in the economic and social changes which are in process.

Fourth. Stop the military trials of accused war criminals and turn these matters over to civil courts with instructions that prompt action be taken. Cases like Klawans and the editor of El Mundo need immediate attention.

Fifth. Call upon the U.S. Government for any necessary technical cooperation. Under our mutual security program we can and would gladly supply Cuba with experts in fields vital to the economy of Cuba.

Sixth. Ask that the American military missions be returned to Cuba. Castro has a new military force to train. Cuba is now clearly on the side of the free world against the Communists. I was emphatic in wanting us to withdraw the missions when Batista was in power. I am just as emphatic in wanting them returned now that Cuba is a democracy. I think it would be proper for Cuba to stipulate that the members of such missions be, as almost all Americans are, men who share the democratic ideals of our respective nations.

Seventh. Do not hesitate to enlist advice and aid from democratic friends here in the United States and elsewhere in the hemisphere. I refer especially to Gov. Muñoz Marín of Puerto Rico, former President José Figueres of Costa Rica, President Romulo Betancourt of Venezuela, and others like them.

Fidel Castro's courage, intelligence, and patience brought him through two ordeals—revolution and cross examination. Now he must again invoke those qualities as he settles down to face and, we earnestly hope, to survive the ordeal of high public office.

[From the Christian Science Monitor, Apr. 16, 1959]

CASTRO REFORM PACE TUGS ECONOMIC ROOTS

(By Bertram B. Johansson)

HAVANA.—"In all my 35 years in Cuba," a U.S. businessman said to me as we sat at a sidewalk cafe where the sea breezes hiss through the palm trees, "I've never quite seen anything like this Fidel Castro government.

"Apparently, they're strictly honest as far as graft or corruption is concerned.

"They're thorough. The military executions are an example.

"They've got lots of good ideas for increasing Cuba's agricultural production, and for industrializing.

SEARCHING QUESTIONS

"But it seems to me they're moving too fast for their own good. And I have some reservations about whether leftists or Communists aren't infiltrating. I don't know who is influencing whom, Castro or the Commies."

This view, echoed in many layers of the Havana community by both Cubans and foreign observers, is a quick measure of the Castro independence movement as found in Havana today.

It expresses the sympathy most people have for the 26th of July movement, but the reservations and doubts, as well.

[Meanwhile in Washington Dr. Castro met at luncheon with Christian Herter, Acting Secretary of State. On April 15 the bearded Cuban Premier was greeted on his arrival in the capital with cries of "Viva Castro" from a crowd of flag-waving Cuban supporters.

[Dr. Castro said he hoped "in some way I can bring a better understanding of our program in Cuba to the people of the United States and that they will have a better understanding of our situation."]

The primary questions, still, in Cuba are:

1. Whether the Castro government is willing to adjust to the concept of a mixed economy and the fact of the one billion dollar United States investment in Cuba, as Gov. Muñoz Marin in Puerto Rico has, and as President Betancourt of Venezuela and former President Figueres have, in their own way.

WAVE OF REFORMS

2. What the outcome will be of the muffled behind-the-scenes struggle now going on within the government between moderates and the leftists who have stealthily worked their way into some posts. It is obvious that Communists are trying to take advantage of the flux of this period of transition, as they did briefly in Venezuela after the fall of Pérez Jiménez dictatorship.

On the outcome of this test of strength will depend the issue of whether the government's overall approach becomes a synthesis of moderate and radical views, or a primarily leftist policy.

The break with the past is producing its ferment. Three and a half months after the January 1 revolution, turbulent forces of freedom set loose by Cuba's revulsion with the Batista dictatorship have taken on the nature of a giant, onrushing tidal wave of political and economic reforms.

BUSINESSMEN ANXIOUS

Premier Castro says he is out to form one big middle class, bringing the rich down into it and the lower classes up. This is frightening to some people here, naturally.

As a result, Cuba's political scene is marked today by the fluidity and headlong motion characteristic of a tidal wave as these forces of reform conflict with the status quo.

Almost daily the Urrutia-Castro government issues fiats, regulations, and laws with Cromwellian zeal to purge the excesses of the Batista regime, to lower utility rates, slash rents, adjust charges for the space a small farmer might use in the Havana marketplace to sell his produce.

The impetus of these reforms is such that they could have either a positive, cleansing effect on Batista corruption or, if mismanaged, could head Cuba for catastrophe, it is agreed here.

Currently, though the mass of Cubans supports the Castro government, the business community is not quite sure what will happen next. There have been threats made in Revolution, the newspaper of the 26th of July movement, that some American sugar company lands may be expropriated for the agrarian reform program.

Conversely, there have been assertions Cuba is interested in more private investment capital. Most businessmen are sitting tight, awaiting events, not words.

Commerce is off, though tourism has begun to make a comeback. Both the El Nacional and the Havana Hilton Hotels report a slight increase in the number of guests.

Hotel occupancy is down to about 35 percent of capacity, when it ordinarily is at 65 or 70 percent this time of year when the tourist season is drawing to a close. The hotels are attempting to attract several conventions during the off season to help commerce here.

RENTAL SLASH DRASTIC

An illustration of the uncertainty—and elation—raised by some of the lightning swift acts of the government may be seen in the rental situation. Announcement of rent slashes several weeks ago produced near hysteria among property owners, many of whom supported the independence movement financially. Even Dr. Castro is believed to feel he has acted too drastically in this matter, though it is difficult to change position now without losing face.

Rent slashes, effective April 3, are as follows: rents up to $100 were cut by 50 percent; rents from $100 to $200 have been shaved 40 percent; those above $200 were dropped 30 percent.

For persons paying rents these reductions were naturally welcome, for, it is agreed here, rentals were much too high for the value received.

But there were other factors that apparently had not been fully considered. One Cuban family I know, with two children, has been paying $65 rental a month for their house—the downstairs area of a modern, quite new home.

HOMEOWNER SQUEEZED

The owner, who lives upstairs with his wife, had saved for years and years to build the $20,000 house as a social security investment against the future. Now, instead of receiving $65 a month in rental income, he will obtain only $32.50.

"Not a very good investment for my landlord, even though his mortgage interest will be reduced," said my friend who nonetheless is elated about his reduction in rent.

The effect of the rental fiat on the construction business was immediate. Work on nearly all large apartment houses has virtually stopped, partly because of the rent changes, partly because some of the financing for apartment construction was being supplied by Batista supporters who have fled.

The effect on other construction industries—such as cement manufacture, the steel rod reinforcement industry, trucking, etc.—is beginning to be felt. Some 120,000 partially or fully unemployed construction workers are putting pressure on the government by means of labor demonstrations. Dr. Castro, wary about adding to Cuba's unemployment problem, says he will start huge public works projects for making feeder roads in the farm areas of Cuba, and for draining the Zapata marshlands in central Cuba for growing rice.

RICE STUDY PUSHED

Netherlands drainage engineers are in the swamps now studying the problem, and 50 Japanese families have been invited to Cuba to show Cubans how to increase rice production.

Meanwhile, real estate owners and builders are, in effect, on strike against the government, in not finishing construction. Property owners are refusing to invest in real estate. This was the main aim of the rent slashes, aside from reducing rentals for city dwellers. Dr. Castro wishes to discourage investment in real estate and funnel it into industry to create more jobs.

But the government is learning it cannot be as drastic as it has been. It is believed Dr. Castro is seeing this now.

[From the Washington Evening Star, Apr. 17, 1959]

OBSERVERS BELIEVE CASTRO IS SEEKING U.S. TRADE FOR CUBA, NOT AID

(By John V. Horner)

Trade, rather than aid, is the subject being stressed by Prime Minister Castro in his discussion here.

This is the report today of persons who have had opportunities to confer privately with the visiting Cuban revolutionary leader.

One high-ranking official who talked at length with Mr. Castro said no mention was made of financial assistance but the Prime Minister is obviously concerned by Cuba's economic difficulties and hopes to stimulate the sale of such products as sugar.

Before leaving Havana, Mr. Castro was quoted as saying he hoped, during the visit here, to arrange for an increase in the Cuban sugar quota. But this cannot be done because quotas are fixed by law and no changes could be made except by action of Congress.

ECONOMY DETERIORATING

The Cuban economy has been deteriorating badly for several years, due in large part to a decline in sugar prices. Another factor was the heavy expenditure of the Batista regime for arms.

Since Mr. Castro overthrew the Batista dictatorship on January 1, the downward trend has continued. Tourism has fallen off sharply and investors worried about the political and economic uncertainties have withdrawn large sums of money.

So far, Mr. Castro has made the most favorable impression while relaxed in informal person-to-person conversation. In such situations he appears shy, talks in a soft, low voice.

"There is certainly no impression of a bloodthirsty revolutionist," said one observer.

SOMETIMES IRRITABLE

But in the midst of shoving crowds and inquiring reporters he sometimes appears irritable.

In the lobby of the Cuban Embassy yesterday morning, a reporter asked him, in the most courteous way, whether the newspapers in Cuba were free to criticize his government.

Mr. Castro bristled.

"Every newspaperman in the United States is invited to come to Cuba and see for himself," he replied sharply. "What puzzles me is that in this country such a question should be asked."

With that, the Prime Minister took one last hard look at the reporter, snapped his head upward and marched out of the front door. Thus ended an impromptu press conference.

EXPRESSES THANKS

A few minutes later, Mr. Castro was exchanging pleasant remarks with Acting Secretary of State Herter and other high ranking officials at a luncheon given for him at the Statler-Hilton Hotel.

The Prime Minister expressed thanks for the welcome and said he was glad to accept the honor on behalf of the Cuban people.

He spoke of the struggle in Cuba which he said cost thousands of lives for human rights, liberty and democracy, all of which had been nonexistent.

HERTER TOASTS CASTRO

He said he hopes that some day the people of the United States will recognize the whole truth of the revolutionary fight. And he said he wants to improve relations between this country and Cuba.

He declared there is no reason relations should not improve because the Cubans have a good feeling for the people of the United States. He then toasted the President.

Earlier, Mr. Herter had toasted the Prime Minister. The Acting Secretary said Cuba and the United States had cooperated in building and maintaining in the Western hemisphere "an impregnable bulwark of independence, of order, of freedom within the law." He said the countries stand together, likewise, in defending the integrity of the free world.

Mr. Herter said an exact expression of the feeling here for Cuba was made by the

Cuban hero, Jose Marti when Marti spoke of the nations of this hemisphere as follows: "America must further everything that draws people closer together and abhor everything that separates them."

[From the Coos Bay (Oreg.) World, Apr. 17, 1959]

CASTRO AND THE COLD WAR

High hopes for fundamental reforms in Fidel Castro's Cuban revolution have been considerably dashed. Even those whose hopes were highest for establishment of a Democratic Government in the island nation which is snuggled against our Florida coast have had those hopes dampened.

We note that columnist Drew Pearson, who was high on the Castro-Government possibilities just before and immediately after Batista's fall, has since discovered things in the Cuban premier's background and recent actions to give him pause.

This also has occurred with many leading newspapers, such as the New Orleans Times Picayune.

And Congressman CHARLES O. PORTER, Democrat, of Oregon, who felt a surge of optimism for democracy in Cuba after Castro's revolt, is quoted this week by Time magazine as saying, "I don't think Castro is a dictator yet, but I do see an ominous trend." What PORTER feared early this year—that Castro was "young and naive in politics and government" and might thereby come a cropper—is the basis for the ominous trend."

Most worrying to U.S. officials is the apparently left-orientated trend to Castro's dictatorship, if it is a dictatorship. The United States tends to see every action by anybody, anywhere, as favoritism of either the United States or the Soviet Union. We have a habit of contending that everybody is either for us or againts us. We are joined in that attitude by Russia.

Thus it's difficult for us to truly see where Castro's government is headed, left or right. Either kind of dictatorship is undesirable.

If Castro is leaning toward "neutralism" as between the United States and Russia, or even leaning toward Soviet sympathies, there is a partial logical explanation in historic Cuban fears of the Big Brother to her north, and also in that Big Brother's attitude toward the Castro revolution itself.

The U.S. Government gave every appearance of backing Batista's rightist dictatorship in order to protect American investments and the U.S. foreign sugar supply right up until the State Department embargoed shipments of arms to Cuba a scant few weeks before Batista fled.

Even after the embargo, actions of the U.S. envoy in Havana could hardly be construed as anything but American support for the repressive, brutal, bloody Batista dictatorship.

All that is past history. What matters today is Castro, whose policies are still being swept along on the popular enthusiasm of a majority of Cubans.

His policies, young, and naive perhaps, are not pro-United States. The United States has a difficult job ahead of it in changing Castro's attitude. The job may be impossible. If it is, the blame is not all Castro's.—FWA.

[From the New York Times, Apr. 17, 1959]

CASTRO IS LUNCH GUEST OF HERTER ON FIRST DAY OF VISIT

WASHINGTON, April 16.—Premier Fidel Castro of Cuba was a luncheon guest today of Acting Secretary of State Christian A. Herter. Dr. Castro flew to Washington last night to begin an 11-day speaking tour of the Eastern United States and Canada. The purpose of his tour, he told reporters, is to improve Cuban-United States relations. This was the theme of the toast the young revolutionary leader made today in reply to one from Mr. Herter. There is no reason, Dr. Castro said, why relations between the two countries should not be improved. Premier Castro has charged frequently that the U.S. press has distorted the facts in reporting the revolution against the regime of President Fulgencio Batista and the subsequent military trial and execution of many Batista followers.

In his toast Dr. Castro intimated that press reports were responsible for the misunderstanding between the two countries. He expressed the hope that one day the people of the United States would recognize the whole truth of the revolutionary struggle in Cuba.

As he left the Cuban Embassy this morning for the luncheon, a reporter asked him whether newspapers in Cuba were free to criticize his regime. The question apparently angered him.

"Every newspaperman in the United States is invited to come to Cuba and see for himself," he replied. "What puzzles me is that in this country such a question should be asked."

CASTRO WEARS UNIFORM

Twenty-five United States and Cuban officials attended the luncheon, held in the Statler Hotel. Premier Castro wore his green army fatigue uniform. Before the luncheon, he and Mr. Herter sat on a sofa and conversed.

The State Department gave out no information on what subjects had been discussed.

Dr. Castro said later that in his speech tomorrow before the American Society of Newspaper Editors he would answer allegations that his government had been infiltrated by Communists.

The society reversed today its decision not to permit television and radio coverage of the Castro address and the question and answers following it. This decision, announced earlier by George W. Healy, Jr., of the New Orleans Times-Picayune, president of the society, had brought sharp protests from broadcasting representatives.

At a conference of these representatives with Mr. Healy today, it was agreed that there would be a pooled film, which would be made available to all television services for later broadcast, and a pooled recording for radio networks.

Dr. Castro brought with him to Washington three financial experts, Rufo Lopez Fresquet, Minister of the Treasury; Dr. Regino Boti Leon, Minister of the Economy, and Dr. Felipe Pazos, president of the National Bank of Cuba. These officials are expected to have exploratory discussions at the International Monetary Fund on a program to stabilize the Cuban economy.

Dr. Castro has already indicated that he would like U.S. credits. The U.S. position has been that the Cuban Government should first discuss its situation with the International Monetary Fund. This has been the procedure followed with several other Latin American countries that sought U.S. help for their balance-of-payments difficulties.

CUBAN TROUBLES CITED

There is general agreement here that the Cuban economy is heading into trouble. At the end of 1953, Cuba's dollar reserves were about $500 million. In the next 5 years, the balance of payments deficits totaled $414 million. It is estimated here that gold and dollar reserves are now about $80 million.

The accumulating deficits under the Batista regime were brought about by the decline in sugar prices, heavy purchases of arms and the flight of capital from Cuba.

In the first 5 months of the Castro regime, the reserves have continued to fall as a consequence of a further drop in sugar prices, the decline of tourism, and a removal of investment by industries worried about the political and economic course of the regime.

Furthermore, the budget is running into a deficit as the Government has started up projects to soak up unemployment.

COSTA RICAN RED HAILS CASTRO

SAN JOSE, COSTA RICA, April 16.—Manuel Moya, leader of Costa Rica's outlawed Communist Party, praised Premier Castro in a radio broadcast here last night as a "man of profound culture, brilliant talent and a true revolutionary."

The speech was in reply to one by José Figueres, a former President of Costa Rica, last Sunday, in which Señor Figueres assailed Dr. Castro.

[From the Christian Science Monitor, Apr. 17, 1959]

CASTRO FACES QUIZ ON IRON-RULE AIMS

(By William H. Stringer)

WASHINGTON.—Cuban Premier Fidel Castro, bearded, open-shirted, and a photogenic romantic in appearance, is finding he must answer two grim charges on his American tour:

1. That the large-scale executions following his triumph over Fulgencio Batista were brutally excessive and decided by rump-court justice.

2. That he is closely linked to the Communists.

Dr. Castro is telling his luncheon hosts, the American Society of Newspaper Editors, April 17, that he is not tied to the Communists, and that they have not "moved in on" his revolution.

Dr. Castro likewise is telling Washington, through repeated sidewalk interviews and hasty comments at the Cuban embassy, that the executions involved only "assassins," and that the Cuban people's faith that the Batista leaders would be punished "prevented great bloodshed in the final days of the revolt."

CONTROVERSIAL FIGURE

But this revolutionary hero remains a controversial figure, and further siftings will be necessary to unravel the whole picture.

Meanwhile, Dr. Castro is seeking United States credits to bolster a Cuba where the decline of sugar prices and the unsettlements of war have caused a sharp decline in dollar reserves. He has brought with him three economic and financial experts, who will explore prospects at the World Bank and International Monetary Fund for quick action to stabilize the Cuban economy.

There's a long road uphill ahead for the hard-fighting, idealistic-but-impractical Cuban political leader who April 16 had lunch with Acting Secretary of State Christian A. Herter, Jr., and said then that the purpose of his tour was to improve Cuban-United States relations.

What about the charges of Dr. Castro's procommunism?

The weekly magazine U.S. News and World Report, the columnist Drew Pearson, and others have charged that while Dr. Castro is not and never has been a Communist, nevertheless the Communists have made their way into his regime and some close associates are Communists or ardent fellow travelers. The Christian Science Monitor's Latin-American affairs correspondent, Bertram B. Johansson, reports from Cuba that there are apprehensions among the lawyer class that Communists and extreme leftists may have infiltrated the Castro regime.

GOOD RELATIONS SEEN

On a visit to the Capitol, Dr. Castro was quoted as telling Senators that communism does not have a chance in Cuba if he can feed his people. He also said, according to reports, that he does not contemplate confiscation of American interests in Cuba.

Dr. Castro is expected to have something further to say about charges when he addresses the American editors.

Moscow would like nothing better than to have a base and a regime on the doorstep of the United States, and close to the Panama Canal.

Meanwhile the young bearded revolutionary told Acting Secretary Herter at their luncheon he saw no reason why relations between the United States and Cuba should not be "the best."

Answering repeated street-corner questions about the executions which have been continuing at La Cabana fortress—with more than 500 Cubans estimated to have been shot by firing squads after brief military trials—Dr. Castro said:

"The executions are a lesson that never again can the people in power rob and torture and murder and hide their crimes and escape punishment."

[From the Christian Science Monitor, Apr. 17, 1959]

AIDES PACK VERBAL ARMS—CASTRO PRIMED ON U.S. VISIT

(By Bertram B. Johansson)

HAVANA.—Premier Fidel Castro, who has taken off for speeches and public appearances in the United States, has been armed by government officials not with rebel guns and Molotov cocktails but with numerous speeches, facts, and figures on sugar quotas, loans, and United States-Cuban relations.

He is to arrive in Washington late April 15 and will be accorded the treatment due the Cabinet chief of a friendly nation, officials there said.

But at this end elaborate, almost frantic preparations have been made for the Premier's trip.

It is not that Dr. Castro is incapable of speechmaking. Quite the contrary. As one observer here has said, he speaks compulsively.

His speeches to the Cuban public last sometimes for four or five hours. One recent Castro appearance on the Cuban television version of "Meet the Press" started at 10 in the evening and wound up after 2:30 in the morning. It will be quite an experience for the Cuban Premier to have to limit his remarks.

His prepared speeches will be given in English, though his press conference answers are expected to be rendered in Spanish and then translated.

Premier Castro is said even to fish compulsively. Recently, on visiting a Cuban lake, far distant from the cities, about which few people know, he hauled in more than 300 large bass in one sitting, one after another.

DIFFERENT FROM FRONDIZI

As an unofficial visitor, the Castro tour to the United States differs in several respects from that of President Frondizi of Argentina in January.

The Argentine President was invited to the United States, officially, soon after he entered office in May 1958. He did not accept immediately, however, and stipulated he would not accept until he had his government and economic situation either well in hand, or at least launched and given direction.

Thus, when President Frondizi visited President Eisenhower in January of this year, his economic policies had been enunciated. It was clear that Argentina welcomed private foreign investments, despite the cries of Peronists and nationalists to the contrary.

President Frondizi had had more than one showdown with Peronist labor unions and had established the political fact that he had the strong backing of the Argentine military forces so that he dared to leave Argentina even at the time of some labor difficulties.

The Castro government, on the other hand, only a 3½-months-old political youngster, is still in the awkward, troublesome throes of forming its economic program, of recovering from the shock of revolution, of transforming destructive acts into constructive administrative procedure, recovering stolen funds with which Batista officials had lined their pockets and safety deposit boxes.

The government is still dismissing excess or disloyal government personnel and introducing new government workers, who in their inexperience, do not always contribute to still chaotic operation. Government and business are having troubles with labor unions where Communists are endeavoring to infiltrate and take over important posts.

Thus, the frenetic, anxious atmosphere of the preparation for the United States-Canada trip has spread throughout the government. Ministers who before were difficult to reach are now even more difficult to find. Many of them are spending time with the Premier, often staying up all night long, briefing him, working out as yet unformed policies.

PRESS REACTION AWAITED

Cuban Ambassador to the United States Ernesto Dihigo who is quite pro-United States in viewpoint, recently spent some 10 days here in Havana conferring with Dr. Castro and U.S. Government officials about the coming visit.

It is not known how discreetly Premier Castro will speak in the United States on United States-Cuban relations. He has spoken often, here in Cuba, with extreme acrimony of the U.S. policy, until last April, permitting arms to be sent to the Batista government, and of the U.S. military mission in Cuba training Batista troops to fight against the Castro rebels.

The depth of Premier Castro's grudge on these points sems bottomless at this point.

It remains to be seen whether the spate of anti-American statements he has made—about U.S. foreign policy in Cuba as reflected by several recent Ambassadors, and as to the influence of U.S. business interests in Cuba—have been meant primarily for domestic consumption and for stimulating a new Cuban nationalism and pride or whether they are to be part and parcel of the new government's policy.

Premier Castro will be accompanied on his visit by several moderates, including Finance Minister Rufó Lopez Fresquet Machado, former Cuban Ambassador to the United States and an official of the International Monetary Fund.

There are some persons here who wonder whether Premier Castro will be able to handle himself well enough, in dealing with some of the hostile questions which some newspaper editors are apt to hurl at him.

The Castro government policy on military executions is not at all well understood in the United States, and Premier Castro has criticized wire services and newspapers, generally, in the United States, for their inadequate coverage, as Premier Castro terms it, of the background of tortures and atrocities perpetrated during the Batista regime.

RED INFLUENCE QUERIED

Cubans today no longer attempt to compare the military trials here with the Nuremburg trials in Germany after World War II. Rather, they make reference to the post-World War II "cellar" killings in France of those who had collaborated with Nazis.

Thousands of killings went uncondemned by world opinion at that time, Cubans aver, and for that reason the more than 500 military executions so far performed here should not be condemned, according to the Cuban line of reasoning.

Premier Castro also will no doubt be asked about his views on whether Communists are obtaining too strong an influence in his own thinking and in the Cuban independence movement. There are certainly indications that Communists are trying to move in, in considerable numbers. But there are moderates in the Castro government who are able to hold their position and point of view.

No such influence has been established at this writing, according to well-informed sources here, though there is a possibility, it is believed, of such a strong Communist influence developing that military security in the Caribbean could be endangered.

It is believed here also that even though Premier Castro is not yet accustomed to the U.S. press conference technique, where loaded questions are often asked, he has had enough experience with it in the past few months—and smarts from some of the liberties which he feels U.S. newsmen took with some of his statements—to handle himself ably with the most critical elements of the U.S. press. It will not be his first visit to the United States.

INVITATIONS MOUNT

Since his casual acceptance some weeks ago of the invitation of the American Society of Newspaper Editors to speak before their annual meeting in Washington April 17, invitations have snowballed into Havana.

They have come from university groups—not the university administrations themselves—at Harvard, Yale, Princeton, College of the City of New York, Columbia University.

Premier Castro is expected to lunch with Acting Secretary of State Christian A. Herter on April 16, even though this is an unofficial visit.

He is scheduled to appear before the National Press Club in Washington April 20, the United Nations Correspondents Association in New York April 22, the Overseas Press Club in New York April 23. At this writing, his itinerary from April 23 to 28, when he is expected to be in Montreal, has not yet been announced.

[From the Christian Science Monitor, Apr. 17, 1959]

LIBERALS DISMAYED—CASTRO-FIGUERES RIFT GROWS

(By Bertram B. Johansson)

HAVANA.—To the dismay of Caribbean liberals, the rift is widening between two noted Caribbean revolutionaries, former President Figueres of Costa Rica and Premier Fidel Castro of Cuba.

Ever since Senor Figueres visited Cuba some weeks ago and precipitated the issue of whether Cuba's allegiance lay with the East or West in the cold war—Dr. Castro said Cuba's position should be one of neutrality—the fissure between the two men has grown deeper.

In his last barrage of criticism, Dr. Castro called Senor Figueres, with whom he has had much in common in the past, "a bad friend, a bad democrat, and a bad revolutionary," for making statements "which only serve to provoke attacks on the Cuban people."

Even before the Figueres visit, the possibility of ideological separation of these two men became evident. Senor Figueres was among the first Latin Americans to comment negatively on the Cuban military executions and to express surprise about them. He said, at that time, he would not visit Cuba because of the spate of military executions.

Then, several weeks later, after the enormity of the Batista atrocities had been made clear to him, Senor Figueres consented to visit Cuba, as he did on the weekend of March 22.

It was during that visit, while Senor Figueres was addressing a large trade union

gathering, that he made the statement that Latin America's place should be with the West in the cold war.

David Salvador, head of the Confederation of Cuban Trade Unions, snatched the microphone and asserted to the union members that "Cuba cannot be with the United States" which, he held, was oppressing Cuba.

It was at this same gathering that Dr. Castro indicated he felt Cuba's position should be "neutralist" in the cold war, a position quite out of line with the rest of Latin America, and in line with the Soviet Union's effort in Latin America to "neutralize" the area.

Dr. Castro added he was surprised Senor Figueres should be trapped by the "propaganda of lies which distort Cuba's policy in the United States and other countries."

SHARP FIGUERES RETORT

Senor Figueres on his return to Costa Rica was smarting from this Cuban treatment. No tyro at the Latin American brand of politics, he is reported to have made references to Communist influences in Cuba and said that Dr. Castro apparently took pills to keep him awake.

These jibes hit Dr. Castro in such a sensitive spot that he countered with the condemnations that Senor Figueres was a "bad friend, bad Democrat, and bad revolutionary."

Senor Figueres was referred to also by the Cuban Premier as "a person who maintained created interests in his country."

This phrase has been amplified here by 26th of July movement adherents to the extent of condemning Senor Figueres for not having overturned and changed the base of the Costa Rican economy in his 2 years in office. The implication left is that the Cuban revolutionary movement intends to make changes far more radical than those developed in Costa Rica under Senor Figueres.

As an ardent revolutionary who ousted several political factions and powerful family groups from Costa Rica, Senor Figueres became noted for the maturity of his approach to foreign firms doing business in Costa Rica.

One of his first and major acts after he took office in November 1953, was to renegotiate contracts with United Fruit Co. Under these contracts UFCO was required to boost its tax contribution to the Costa Rican Government.

The agreements were hailed by the company as a pattern for negotiations in other countries, even though some of the tax provisions were drastic. Senor Figueres said that the historic agreement placed Costa Rica among the pioneers of Latin American economic development.

The fact that Dr. Castro and 26th of July movement suporters are criticizing "Pepe" Figueres for this type of negotiations is not going unnoticed here in Havana by the business community.

Aside from the sharpness of this carbine war of words between the two Caribbean revolutionaries, the incident has served to bring several other issues into the open.

OUTSPOKEN CRITIC

One is Dr. Castro's increasing sensitivity to criticism and his tendency to hit back immediately, sometimes wildly, with statements he may regret later, though he reserves the right to be extremely critical of others.

His critical anti-American statements, which have surprised some Cubans who feel he does not need to resort to anti-Americanism to keep his hold on the Cuban public, were noticeably toned down as his trip to the United States approached.

The other issue brought to the surface by the "Pepe" Figueres remarks is that of the influence of Communists in the present government.

There are a number of men and women around Dr. Castro who are charged from time to time with being Communists or definitely left of center.

The issue is not whether these and other men are or are not Communists now, but what influence they are having currently on the Premier who insists he is not worried about Communists in the government and would rather have them above ground where he can see them.

There are moderate men and influences in the Castro government, some of them well educated in economics. One of these is Rufo Lopez Fresquet, Treasury Minister, who was asked recently by a reporter whether he felt the United States would allow Cuba to develop economically. A frequent Communist insinuation is that the United States desires to stifle economic development in Cuba.

Senor Lopez Fresquet answered:

"There's no international obligation which would be an obstacle to Cuba's development. There is no force capable of opposing the moral force of a revolutionary government which represents the yearning of a people.

"Besides," he added, "right now there's no American imperialism as back in 1920. If, in 1934, Batista had not given the Americans the protective tariffs of 1927, there's no question but that Cuba would be better developed. But Batista had no moral force and he gave in because he was more interested in his personal gains. However, when we negotiate with democratic regimes we usually manage to make gains for Cuba."

Senor Lopez Fresquet is one of the group of moderates in the 26th movement who accompanied Dr. Castro on his visit to the United States, to be present in case there are loan conversations.

[From the Washington Daily News, Apr. 17, 1959]

UNITED STATES AND FIDEL COME TO GRIPS—QUESTIONS FOR CASTRO

(By Joseph U. Hinshaw)

Cuban Prime Minister Fidel Castro goes before the U.S. newspaper editors today to answer charges that Communists have infiltrated his government.

The bearded 32-year-old Castro also is expected to spell out in his lunch speech to the American Society of Newspaper Editors why he believes the U.S. press has not given a true picture of his revolutionary regime.

Dr. Castro probably will be asked during a question and answer session after his speech to justify his mass executions of followers of former dictator Fulgencio Batista. Dr. Castro's forces toppled Batista's government on New Year's Day.

A SPEAKER

The Prime Minister, here for an 11-day good will visit, promised to speak for 30 minutes. But he has been known to speak for 3 or 4 hours on other occasions.

As usual there was no prepared text for Dr. Castro's remarks. He will wear his famous jungle green, open-collared fatigue uniform.

Dr. Castro said in advance he woud deliver part of his speech in English and part in Spanish. He said he would try to answer questions in English but would keep an interpreter at his elbow in case he needed him.

A controversy over broadcast coverage of the appearance was settled when the society agreed to let radio and television services record Dr. Castro's speech on tape and film for later airing.

Dr. Castro came to the United States specifically to speak to the ASNE annual meeting. He has expanded his itinerary to include appearances before other groups and on two TV panel programs.

RECEPTION

The revolutionary leader's only other scheduled engagement today was a reception at the Cuban Embassy for Cubans living in this area. The affair was expected to be jammed with well-wishers.

Sr. Castro gave an indication of what he will say in his ASNE speech while chatting with newsmen after having lunch with Acting Secretary of State Christian A. Herter yesterday.

Without directly criticizing the American press, he complained that people in this country have not been informed "of the complete truth of what is going on in Cuba."

He said, "I hope I will now be able to reach the U.S. people and explain what we stand for." He said public opinion here would back his regime overwhelmingly if he could talk on television every week.

As for the executions, Dr. Castro said, "Almost all of the war criminals have been punished." He said, "it is hard for us to apply this justice but we are saving many future lives by punishing the guilty."

During a stroll later through Meridian Hill Park, one block from his embassy, Dr. Castro told a group of students, "in Cuba there is (cq) not communists, not capitalists but Cubanists."

The Prime Minister shook hands, signed autographs and posed for photographs during his walk through the park and nearby streets. A crowd of 300 persons swarmed around him. At one point he chucked a baby under the chin.

[From the Washington Daily News, Apr. 17, 1959]

SLEEPY FIDEL MISSES SOME REBELS

(By Gene Methvin)

The good neighbor policy, which some diplomats have complained is languishing, got a boost yesterday from a couple of Fidel Castro's burly barbudos and a bunch of high school girls.

It seems a few Castro followers wandered into the Meridian Hill Hotel after they arrived Wednesday night and struck up an acquaintance with about 40 touring St. Louis high school seniors. Mostly girls. (The hotel is for women but the lobby isn't segregated.)

"Come to see us at the Embassy," they said when they parted. "It's just across the street. We'll introduce you to Fidel."

THE VISIT

So bright and early yesterday morning all 40 students lined up and trooped to the Embassy, at 2630 16th Street NW., dragging their teacher along.

A State Department security man—still rubbing his eyes—saw them at the door.

"Stop," he shouted. "You can't go in there."

"Why not?" said the saucy girl leading the bunch. "We were invited."

"By whom?"

"By Lieutenant Ramon, that's who."

WAITING

The State man left them cooling their heels on the sidewalk, cordoned off by uniformed men, while he scurried after instructions.

"They came to see us last night," one young lady sighed.

A policeman raised an eyebrow.

"Oh, it was very intellectual. Just talked, you know," she said.

"We're rebels, too," said a girl in a Confederate hat.

"Look, I got earrings from Cuba when I was there 2 years ago," said one girl.

The policeman leaned over for a closer look. The earrings had three Cuban coins dangling, and he shook his head gravely.

"If I were you, I wouldn't go in there with them on," he said. "They've got Batista's picture on them."

The girl snatched them off.

(A closer check revealed the coins really bore a bust of San Marti, great Cuban patriot, "like George Washington," the State man said.)

HOOTS

Finally, just as the embarrassed teacher was about to drag her charges away, a Cuban captain and lieutenant sauntered out.

"Hello, Emilio," the girls squealed, and flocked around.

Lieutenant Emilio beamed. So did the captain. They talked, exchanged autographs, and the students snapped pictures.

Fidel was still in bed, fast asleep, they explained.

But the way the youngsters grinned and tossed their heads at the burly State Department man, as their teacher herded them off, it was plain they didn't care.

[From the New York Times, Apr. 18, 1959]

CASTRO MAINTAINS A HECTIC PACE; CAPITAL IN STRUGGLE TO KEEP UP—CROWDS HAIL AND PICKET CUBAN PREMIER AND HE WORRIES HIS GUARDS IN BUSY SECOND DAY OF CAPITAL VISIT

WASHINGTON, April 17.—Police sirens pierced the spring air. Pickets paraded. High school students shouted from buses, "Hi, Fidel." And Fidel Castro waved, smiled, shook hands and talked.

This was the second day of the visit of Premier Castro, who flew here Wednesday night. It was no less hectic than yesterday. Even the Cuban revolutionary leader recognized his own genius for harassing State Department security agents.

After the luncheon of the American Society of Newspaper Editors at the Statler-Hilton Hotel, the ballroom was cleared to allow more seats to be taken in for Dr. Castro's address. The Premier was walking out when he was surrounded by reporters.

He stopped. Keith O. (Kayo) Lynch of the State Department's security unit tried to nudge him along into an anteroom.

Dr. Castro grinned and said, "I am his friend, but he never had so much trouble with a prisoner."

"Aw, you are no trouble at all," said Mr. Lynch.

Perhaps, but the story was told that Mr. Lynch had said to his boss, Elmer R. Hipsley: "Go get me a tent—I got everything else for this circus."

NINETEEN GUARDS OF HIS OWN

Dr. Castro's own bodyguard—it consists of 19 guards, most of them wearing green army fatigues and with beards and long hair like their leader—insists that he does not like sirens. Yet he has dashed all over town behind the whine of sirens.

His first trip this morning was to the Senate Office Building to talk to members of the Senate Foreign Relations and House Foreign Affairs Committees. The police had a difficult time clearing a path among the secretaries and tourists who jammed the corridors.

When Dr. Castro arrived at the hotel three groups of pickets—all from New York—were walking across the street from the entrance. Each group was surrounded by policemen.

The largest group, numbering about 200, was anti-Castro and, according to members of the two other groups, also "pro-Batista and pro-Trujillo"—supporters of former President Fulgencio Batista, of Cuba, and Generalissimo Rafael L. Trujillo, of the Dominican Republic.

This group called itself the Pan American Anti-Communist Association. Its posters had gaudily painted caricatures of Dr. Castro. The words on one said:

"In his megalomania Fidel Castro has threatened to bomb Cape Canaveral (the missile-launching base in Florida)."

Another said:

"Fidel Castro is the nefarious law in Cuba. He forces trial courts to do as he says."

The two other groups together numbered only 75. One was called "the February 27" (the date that the Dominican Republic became independent in 1844) and the other the Union Patriotica Dominicana. Their signs proclaimed, "Democracy, yes; Trujillo, no," and "Batista is out, Trujillo is next."

Inside, just before George W. Healy, Jr., president of the editors' group, rose to introduce the dignitaries, a bearded Cuban security guard leaned over the table and examined the microphones.

Dr. Castro is not a man of few words. Each question today set him off on a speech of 5 to 15 minutes.

FIFTY ARRESTED IN CUBA—49 MEN AND A WOMAN SAID TO PLOT AGAINST REGIME

HAVANA, April 17.—Forty-nine men and one woman have been lodged in the jail at Cardenas on the north coast of Matanzas Province. They are accused of having conspired against the revolutionary government.

Capt. Pablo Cabrera Piloto, chief of the revolutionary police at Cardenas, said tonight that this group had been meeting in various places and plotting against the government. One place they met was at the home of a woman he could identify only by the name of Juana. She is also under arrest.

The majority of these alleged conspirators are former members of the armed forces of the Batista regime, the captain said. The others are civilians.

An attempt last night by 34 war criminals to escape from Bonito prison in Santiago de Cuba was frustrated, according to a report from there. Seven of the prisoners involved were to have been executed last night. The executions were postponed until tonight, the report said.

[From the Christian Science Monitor, Apr. 18, 1959]

FERMENT IN CUBA

(By Bertram B. Johansson)

HAVANA.—In many Latin-American homes there hangs in the entrance halls welcome plaques or decorated ceramic tiles similar to the "God Bless Our Home," framed cards hanging in North American homes. Here they usually read, "Ésta es tu casa" (This is your home), expressing the warmth and hospitality as characteristic of many Latin Americans.

Today, plaques and tiles are appearing in Cuban domiciles reading:

"Ésta es tu casa, Fidel."

It is an indication of the deep and growing affection many Cubans have for Premier Castro.

Two days after the fall of the Batista dictatorship, when the Castro troops were pouring into Havana to bring the military situation under control, a Cuban said to an American here:

"Now I am proud to be a Cuban once again."

Pride in one's country is most certainly growing here. The feeling of admiration for Premier Castro is enormous and his supporters expect his current trip to the United States to win new friends for their cause.

"Gracias, Fidel! (thank you, Fidel), Gracias, Fidel!" cry the stickers emblazoned on automobile windshields, on buses, on shop doors, on cement garden walls where the whitewash is peeling, on the gray, elephant-colored trunks of palm trees, as the expressive, often extrovert Cuban conveys his thanks and relief over the Castro victory January 1.

DOLLS WEAR FATIGUES

In shop windows, dolls are dressed in the green fatigue uniform of the 26th of July Movement. There are unmistakable beards on many of these children's play toys.

Cuban mothers, instead of buying cowboy suits or spaceman uniforms for their children (the American influence has penetrated deeply on this island, which is only an hour's flight from Miami), now buy 26th of July uniforms.

Children smear charcoal beards on their faces to imitate the barbudoes (bearded ones). They "ambush" Batista troops in their frontyard guerrilla warfare.

It is obvious that the winds of freedom are blowing into every crevice of Cuban society, sometimes to excess.

Often, when Castro political rallies are being set up, student organizers in the high schools burst into the classrooms to round up participants.

Even Haitian exiles, seeking to raise an army here to proceed against the Duvalier government in nearby Haiti, feel free at times to walk into high school classrooms to recruit volunteers while teachers stand by helpless to prevent them from haranguing the class.

In one private high school system students not only ousted some of their student colleagues from classes, they went on strike until 15 teachers whom they did not like—in some cases for political reasons—were dropped.

In another instance, some labor leaders bargaining with a businessman for higher wages in their union threatened to send him to jail if he didn't give in.

"What I've been through is something terrible," the man said to me. "I frankly don't believe Fidel knows what some of the labor people are doing. These guys are outright Commies."

Of course, without an investigation it is impossible to state whether or not this man's charges of communism against his labor group were fair or not, but they do indicate growing concern of Communist influence in labor unions here.

Within recent days, workers at the Cuban Electric Co. wrote Premier Castro charging that Communists in their union were subjecting them to "persecution and threats." The statement declared the Communists were using "most detestable proceedings" in bringing fraud charges against union leader Angel Cofino, who had been detained recently but quickly released when no grounds were found to hold him.

In another instance, Premier Castro said in a speech that sugar prices to the American consumer could be lowered if Cuba were allowed to compete freely in the U.S. market.

What significance can one find in this variety of incidents in Cuba?

Mainly that now, feeling the first effects of liberty after years of dictatorship, Cubans are trying their hand at freedom, a bit awkwardly to be sure, getting the feel of the absence of repression and persecution.

After 3½ months of a new government, and with the euphoria of victory gradually wearing off, Premier Castro finds himself in the position of struggling to harness these vast energies of freedom generated by Cuba's revulsion against the old regime.

Currently the momentum of the Castro revolution has reached the point where its inertia could conceivably throw it out of control and cause it to crash and founder on some barren beach of history.

Or if the surge and moral impetus of the independence movement are skillfully guided and governed, the excesses of the previous regime may be cleansed out and reforms realized.

There is little doubt but that Communists are at work endeavoring to insinuate either their personal presence or their influence in various sectors of the government and in the newspaper profession, including the mechanical side of the publishing and printing trade.

In fact, there is strong evidence here that leftists and Communists are following with fear-breeding accuracy the pattern laid down in Marxist texts on political tactics for taking over a country by endeavoring to move in on Cuba's communication systems, Army, radio, television, newspapers, its public utilities, labor unions, and schools—the purpose

being eventually to stifle the very freedoms which Cubans believed Fidel Castro had won for them.

RESCUE OF CASTRO URGED

To some observers the rapidity with which Communists are trying to move in is even more sudden than in Guatemala several years ago.

There are some notable Cuban intellectuals who see Premier Castro as so surrounded by Communists and fellow travelers as keeping him so busy with a multitude of dramatic but nonessential matters that he has been driven by sheer exhaustion, by adulation of the masses, to the point where he cannot thoughtfully deal with the real problems of Cuba.

These people want to see him rescued from such politically suicidal tendencies.

As Cubans discuss (in secret, to be sure) whether Communist influence may be deepening in the government, the Castro administration boasts what it terms as the following accomplishments:

An agrarian-reform program, not yet fully outlined, has started in a small way. Some government public lands have been distributed. Considerable fervor for land reforms has been fomented, but no details of a rounded program have been forthcoming yet.

Rent reforms have been instituted. Cuts amount to 50 percent of rents up to $100; 40 percent on $100 to $200 rents; 30 percent of those over $200. Tenants are amazed, landlords are drawing real estate off the market, the construction industry is slowing to a halt, 120,000 workers are partially or fully unemployed.

Prices on medicines have been cut 20 to 25 percent.

Government graft is wiped out, the government contends, and military criminals have been executed. The figure is up to 475 men executed. In justification of the executions, few Cubans now compare the trials to the Nuremburg trials. Rather, they point to the thousands of cellar killings after World War II in France, when Nazi collaborators were wiped out.

World opinion did not condemn these killings of collaborators with the Nazis, Cubans reason. Therefore, why should it condemn the Cuban executives, they ask.

The government is studying how much of an adjustment in telephone and electricity prices should be made. The Cuban Telephone Co. is to install 5,000 new telephones.

Government employees' minimum wages have been raised from $65 a month to $85 a month, while department heads (ministers) have had their salaries reduced from $900 a month to $500 a month. Several thousand government employees who received wages but did no work have been dropped.

A study for educational reforms has been launched.

For taking steps such as these, Cubans generally give Premier Castro unqualified support.

[From the New York Times, Apr. 18, 1959]

CASTRO DECLARES REGIME IS FREE OF RED INFLUENCE—CUBAN LEADER SAYS IN TALK IN WASHINGTON THAT HIS AIMS ARE HUMANISTIC—HE DEFENDS EXECUTIONS—PREMIER STRESSES EFFORTS TO DEVELOP INDUSTRY AND END UNEMPLOYMENT

(By E. W. Kenworthy)

WASHINGTON, April 17.—Premier Fidel Castro of Cuba denied today charges of Communist influence in his regime.

In a speech before the American Society of Newspaper Editors he said: "I have said very clearly that we are not Communists."

The 32-year-old revolutionary leader who overthrew the government of President Fulgencio Batista last January 1, declared that "our revolution is a humanistic one."

What he seeks, Dr. Castro said, is to create "a base for our people" to develop industry and to cure the unemployment problem.

"There is one right the people need—the right to live, the right to eat, the right to work," he said.

Dr. Castro was the guest at a luncheon of the editors' society in the Statler-Hilton Hotel. Between the luncheon and his speech, the ballroom was packed and the leader was heard by 1,500 persons.

SPEECH MADE IN ENGLISH

This morning Premier Castro met for an hour and a half with the members of the Senate Foreign Relations and the House Foreign Affairs Committees in the Capitol. Several other Senators and Representatives who are particularly interested in Latin American affairs also attended by invitation of the committee chairmen.

What he told the editors duplicated or closely approximated what he had said earlier to the congressional committees.

The speech to the editors and the question period afterward lasted 2 hours. It had been announced that Dr. Castro would deliver his speech in Spanish but would answer questions in English. However, he spoke in English throughout, occasionally asking an aide at his side to provide a word that he did not know or could not recall.

When he entered the ballroom, the applause was light and almost awkward. After he had finished, there was prolonged clapping.

Dr. Castro made these principal points:

His regime has executed only those guilty of war crimes. Those who were merely followers of Batista have not been harmed.

He has no intention of abrogating the agreement under which the United States maintains a naval base at Guantanamo Bay in Cuba.

Cuba will maintain her membership in the mutual defense treaty under which the 21 American Republics are pledged to defend the Western Hemisphere against attack.

Cuba will provide hospitality, the opportunity to work, and help to exiles from other Latin American countries who hope to overthrow dictatorships in their own lands. However, he favors the principle of nonintervention in the internal affairs of other nations.

Cuba will not confiscate foreign private industry. On the contrary, she seeks more investment by foreign business to provide employment.

Cuba is not a beggar, and is not seeking money. What Cuba wants is more trade with the United States.

ATROCITIES CITED

Dr. Castro did not bring up during his speech the question of the executions. But when he was asked whether he did not think that a time had come for an amnesty, he replied with fervor.

He said that approximately 20,000 people had been tortured and assassinated under the Batista regime. "Why didn't the United States know about that?" he asked. Because, he said, "censorship had made it impossible to report what was going on."

"You have never lived under tyranny," he asserted. "It is terrible where there is no justice."

The Cuban Premier stressed the need for a free press, telling the editors:

"The first thing dictators do is to finish the free press and establish censorship. There is no doubt that the free press is the first enemy of dictatorship."

He said that the soldiers and police were being taught now that men were not to be assassinated for political reasons. This statement brought a burst of applause.

Replying to a question whether the Communists had played a decisive role in the revolution, he said that 95 percent of the people had supported the revolution, and that the support had come from the rich and the middle class, as well as the poor.

Those who know Dr. Castro well have said that he is not well versed in economics. But he spent much of his speech on Cuba's economic problems. "The country must industrialize," he said, "and also make full use of available land." He added:

"There is only one way to make wealth and that is to establish industry. And there is only one way to establish industry; that is by obtaining factories and machinery; and the only way to buy them is by having dollars. We must have a market for our goods."

LARGER SUGAR QUOTA ASKED

The problem can be greatly eased, he said, if the United States enlarges the Cuban sugar quota.

He pointed out that a higher percentage of Cuba's work force was unemployed than in the United States during the depression of the 1930's.

Although Premier Castro said he had not come to the United States for money, economists do not believe Cuba can solve her problems without external credits since, as Dr. Castro acknowledged, her reserves of gold and dollars are extremely low and the nation is running a serious deficit in its balance of payments.

The Premier was asked about a statement he was reported to have made at a labor rally in Havana, saying Cuba would remain neutral in any conflict between the West and the Soviet Union. He avoided a direct answer. He replied that Cuba was a poor country without troops or arms.

SMATHERS CRITICAL OF TALK

Senator GEORGE A. SMATHERS, Democrat, of Florida, who has specialized in Latin American problems, was disturbed at Dr. Castro's statement to the legislators that he did not expect to hold elections until the revolution was consummated and that this might be 3 or 4 years.

Senator SMATHERS was not satisfied, either, by Premier Castro's replies on Communists in his Government, and on the harboring of revolutionaries from other countries.

"It is clear," the Senator said, "that he hasn't yet learned that you cannot play ball with the Communists, for he has them peppered throughout his Government."

Later Senator SMATHERS issued a statement saying that "serious trouble was brewing in the Caribbean area," and that the source of the danger was "centered in Cuba."

In telegrams to Dr. José Mora, Secretary General of the Organization of American States, Senator SMATHERS urged the immediate creation of a voluntary police force to keep the peace in Latin America.

However, some of the other Members of Congress were favorably impressed by Dr. Castro's statements.

Senator RUSSELL LONG, Democrat, of Louisiana, said: "I feel reassured about a number of matters I've been concerned about in Cuba."

Representative JAMES G. FULTON, Republican, of Pennsylvania, commented:

"I was neutral and suspicious before, but today I was very favorably impressed. I think we should help him."

CUBAN NARCOTICS LIST MISSING

WASHINGTON, April 17.—A list of 50 narcotics peddlers sent to the Cuban Government to help stamp out the traffic with the United States was reported today to have mysteriously disappeared. Narcotics Commissioner Harry J. Anslinger said the disappearance had been reported to him by Castro Verde, Cuban representative of the International Police Organization. The list had been sent to the Havana office of Cuban President Manuel Urrutia Lleo.

[From the Washington Post and Times Herald, Apr. 20, 1959]

CASTRO PROMISES CUBA WILL HONOR AGREEMENTS

(By Phil Casey)

Fidel Castro said last night Cuba will live up to its agreements with the West and asserted he had never made any declaration of neutrality between communism and democracy.

The 32-year-old Cuban Prime Minister, speaking on the "Meet the Press" television program, on NBC (WRC–TV), thus clarified for the first time Cuba's stand in the East-West struggle. Cuba and the United States are members of the 21-nation Western Hemisphere Defense Alliance. Member nations pledge themselves to stand together if one member nation is attacked.

The bearded revolutionary denied that his brother, Raul, or Raul's wife, is a Communist and said that if there are any Communists in his government their influence is nothing.

He promised free elections in Cuba as soon as possible, and said that, in any event, they will come within 4 years at the latest.

He denied also supporting the overthrow of dictatorships in other Latin American countries. He pointed out that Cuba's "doors are open to all political exiles."

He said that more than 1,000 people accused of war crimes by his followers "have been exonerated without proof and the trials are finishing in Cuba." Later, Castro told reporters that he would not allow Cuba to be used as a staging area for the invasion of any other American countries.

Earlier, he told a group of Philadelphia Cubans that he would fight communism in his country by building hospitals and schools and improving the lot of the people, not by using force against Communists.

Immediately after the telecast at 4001 Nebraska Avenue NW., Castro drove to the Capitol, where he went into conference with Vice President RICHARD NIXON in the Vice President's office.

After 2 hours and 20 minutes behind closed doors, NIXON emerged with Castro from his office and said to the Cuban: "We will work with you."

The young Prime Minister's long, exciting and tiring day began at 9:30 a.m., after only a few hours sleep. He had been up until after 3 a.m. riding around the city and Arlington and visiting housing developments.

After his brief sleep, he went to Mount Vernon, showing interest in practically everything, particularly Washington's 1,000-volume library.

At the Lincoln and Jefferson Memorials, where crowds of several hundred were gathered, Castro was besieged by autograph seekers. He signed their bits of paper smilingly.

Castro, who laid wreaths at the historic shrines, read both the Gettysburg Address and the Declaration of Independence at the monuments.

As he read the Declaration, Castro murmured: "It is a right of the people to uprise. * * * These words support the ideals of the Cuban revolution."

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

CASTRO RULES OUT ROLE AS NEUTRAL; OPPOSES THE REDS—SAYS IN TV INTERVIEW CUBA WILL HONOR AGREEMENTS—SUPPORTS THE WEST—SEES ELECTIONS BY 1963—PREMIER INSISTS HE PREFERS TO CONDUCT THEM SOONER—DENIES HE IS DICTATOR

(By Dana Adams Schmidt)

WASHINGTON, April 19.—Premier Fidel Castro of Cuba denied today that he favored neutrality and said that his country would live up to its international agreements.

The bearded soldier said that his heart lay with the democracies and that he did not agree with communism.

Dr. Castro was questioned about earlier statements that had been interpreted to mean that Cuba would be neutral in a conflict between the West and the Soviet Union. He denied this inference and implied that Cuba would support the West.

Dr. Castro denied also that either his brother, Raul, a leader in the anti-Batista revolt, or Raul's wife, Vilma, was a Communist. There have been reports to this effect.

If there happen to be any Communists in his government, he said, "their influence is nothing."

INTERVIEWED ON TV SHOW

The Cuban Premier, who led his revolutionary movement to victory against the Batista regime at the end of last year, was interviewed on the National Broadcasting Co. television program "Meet the Press."

Dr. Castro said general elections would be held in Cuba in not more than 4 years. He thought that it might take that long to solve our problems and establish conditions for free elections.

Previously he has said that elections could be held within 18 months to 2 years.

"Real democracy is not possible for hungry people," he declared. "Real democracy ought to be established over social justice and work for everybody."

Dr. Castro explained that although he favored early elections, thousands of Cubans did not want them because they remembered the politicians of the past who never did anything for the people.

He rejected dictatorship as a description of his Government and noted that it was a provisional regime.

At another point he declared: "This is a Government of public opinion."

An earlier plan to hold elections within two years had to be delayed, he explained, and "I have promised to my country that as soon as we advance we will have a free election."

First the executive branch must be restored, he said, and then the judiciary.

"The third power ought to be the Congress," he added. "But we need time."

Dr. Castro said he was against intervention by one country in the affairs of another.

"Our door is open for all the political exiles," he said in answer to a charge that revolutionaries of other Latin-American countries were plotting in Cuba to overthrow their governments.

State Department officials said they had heard rumors that Panamanian revolutionaries were gathering in Cuba for an invasion of Panama. But the officials said they had no confirmed information. Nor could they confirm that the U.S. command in the Panama Canal Zone had increased security measures.

U.S. officials said they had no doubt that opponents of the governments of Haiti, the Dominican Republic, and perhaps other regimes were present in Cuba.

Asked by what right he spoke out against the governments of other Latin-American nations, Dr. Castro replied that he did so in the same sense that others spoke about democracy, because he thought it was "not just for some countries to live under tyranny," as in the Dominican Republic.

Concerning political trials in Cuba, Dr. Castro said that more than 1,000 persons had been exonerated and that the trials were coming to an end.

Alluding to the right to freedom asserted in the Declaration of Independence, he asked: "What to do with those who abolish that right?"

Dr. Castro spoke hoarsely in English. Sometimes there were flights of eloquence, but there also were nearly incomprehensible passages. Several times he consulted an interpreter at his elbow.

While conceding the possibility of deception by Communists, he appealed to North Americans to "see what we have done" and not to believe "the first thing that can be heard."

Earlier in the day the 32-year-old bearded revolutionary leader visited Washington's home at Mount Vernon and placed wreaths at the memorials to Lincoln and Jefferson.

Still wearing the olive green fatigue uniform that has become his trademark, he drove to Mount Vernon through a light drizzle. Numerous United States and Cuban security men accompanied the motorcade. There were no pickets or signs of hostility among the Sunday tourists at the patriotic shrines.

After more than an hour's walk around Mount Vernon, Dr. Castro termed it "the most interesting place I have visited."

Comparing the American Revolution with the revolt against the regime of Gen. Fulgencio Batista, he expressed the view that such places as Mount Vernon would not have survived if the British had done the same things that Batista did in Cuba.

At the Lincoln Memorial, Dr. Castro walked up to the crowd of several hundred, shook hands and chatted. Then he went up the steps to the memorial and slowly, in a low voice, read the Gettysburg Address inscribed on one wall.

"Formidable and very interesting," he murmured.

Then, at the Jefferson Memorial, after placing a wreath of white carnations, he carefully studied the inscriptions on the walls.

Asked whether he thought Jefferson's philosophy supported overthrowing a government, he read these words: "I am not an advocate for frequent changes in laws and constitutions, but laws and constitutions must go hand in hand." He called this a "revolutionary principle" providing for "progressive change of institutions as the minds of men change."

FOREIGN PERIL IS SEEN

HAVANA, April 19.—Maj. Ernesto Guevara, a left-wing aide of Dr. Castro, is charging that foreign influences are trying to prevent the success of the Cuban revolution. He has made the accusation in speeches on two successive nights.

Though North Americans appeared to be his target, the United States was not mentioned directly in newspaper accounts of the talks.

The Argentine-born major, a field leader in the revolution, now commands La Cabaña, a Havana military fortress.

In a speech Friday night closing an industrial exposition, Major Guevara said Cuban enemies of the revolution were not dangerous because they are known. But representatives of non-Cuban capital are dangerous, he declared, and oppose Cuban industrialization and land reform.

Major Guevara professed to see parallels between Cuba and Guatemala, where the Red-influenced regime of Col. Jacobo Arbenz Guzman was overthrown by an invasion in 1954. He declared that the Arbenz government was moderate, but that a defamatory campaign was carried out, the Government was accused of being Communist and was toppled by an invasion financed from abroad.

[From the Christian Science Monitor, Apr. 21, 1959]

WARY MIDDLE CLASS HUNTS CASTRO GOALS

(By Bertram B. Johansson)

HAVANA.—Cuban reaction to Premier Fidel Castro's U.S. tour ranges the gamut of attitudes from vamos a ver (wait and see) to confident hope that Cuban-United States relations are improving because of the trip. Premier Castro's anti-American statements voiced here within recent weeks are too fresh in Cuban memory to make what seems a

sudden shift in emphasis completely credible in some circles.

Premier Castro begins his tour of the United States at a time when widening disenchantment with the pace and character of his revolution is appearing in many sectors of the Cuban community.

This may only be because the true nature of the revolution has not been successfully projected to all Cubans and foreign business interests. Also, no revolution can for long keep up its level of enthusiasm.

DISAFFECTION APPEARS

Nevertheless there is a decided disaffection appearing. Popularity polls which gave him as much as 95 percent support, but which Premier Castro has acknowledged had plummeted, are even at this writing registering a measurable rise as a result of his statements and his reception in Washington.

His public assurances that "we are not Communists in Cuba" have been interpreted as a warning to the 24,000 Communists believed holding party cards here and currently infiltrating the labor movement.

Premier Castro's indications that the Government would not be nationalizing foreign businesses or asking at this moment for transfer of the U.S. naval base at Guantanamo which is important to Panama Canal defenses, have calmed somewhat an anxious business community here.

INDEPENDENCE STIRS

Recent acts by the Castro government which many Cubans consider as increasingly arbitrary and imbued with a dictatorial potential, continue to disturb many intellectuals here, however.

The same Cuban spirit of independence which won out against Dictator Batista is beginning to question Premier Castro's methodology and procedure.

The absence of civil courts, the increasing number of executions ordered by the military courts—a marijuana peddler was given a capital sentence by a military, not a civil court recently—and the increasing contempt expressed by the Government of independent thinking, are producing seeds of intellectual revolt.

The island is in little danger of a government overthrow in Premier Castro's absence. His brother, Raul, who managed the Santiago contingent of the Castro forces with such ruthless efficiency, is in charge of the military forces.

Señor Martínez is the man Premier Castro sent to Santiago some weeks ago to conduct the second trial of the 43 Batista airmen who had been acquitted of charges of genocide by a lower court, but they were retried, at Premier Castro's insistence, in the higher court and punished—over the objections of the legal community here.

Drastic rent reductions of from 30 to 50 percent, which benefit many, but immediately dried up real estate investment, and the new Government regulations forcing sale of property at prices and under conditions which challenge the whole concept of ownership of private property, have thrown the professional and middle classes in Cuba into a state of consternation.

These still pro-Castro people, or rather, pro-independence people, who are feeling the disenchantment consist of intellectuals, businessmen, middle class white-collar workers, a few informed persons of wealth, who are now saying, in effect.

"We supported the 26th of July movement for the political revolution we expected would take place, but Fidel's social revolution, as it has begun to evolve, is too drastic. We cannot tolerate its present pace. Something has got to be done. Somehow he must be made to recognize this."

SHOCK TO MANY

That the Government and Premier Castro are evidently determined this is going to be a far-reaching social revolution has come as a shock to the professional and middle classes who were really the bedrock and inspiration for the revolution.

What is being termed Premier Castro's about-face on the middle classes and his catering in speeches to the "masses," and to the nation's 33 labor federations which failed to support his call for a general strike last year in April, have puzzled these intellectuals.

Furthermore, the accession of David Salvador, an avowed Communist, to provisional leadership of the powerful Cuban labor confederation has taken on the tone of betrayal to many of those in the professional and middle classes.

When José Figueres, former President of Costa Rica, was here recently addressing a trade union meeting, it was Señor Salvador who rose during the Figueres address to interrupt the latter's speech and say that Cuba's role did not lie with the United States or the West in the cold war.

This is the straight Communist line in Latin America today, where the effort is to neutralize countries in the area, one by one, and alienate their allegiance to cooperate with the United States.

[From the New York Times, Apr. 21, 1959]

CASTRO DESCRIBES LAND REFORM AS NEXT STAGE OF HIS REVOLUTION

(By Dana Adams Schmidt)

WASHINGTON, April 20.—Premier Fidel Castro, of Cuba, indicated today that the next big stage in the Cuban revolution would be agrarian reform.

He said his Government would expropriate legally uncultivated or badly cultivated land. Only by this means, he said, could Cuba hope to create an internal market and put to work its 700,000 unemployed.

The Cuban leader emphasized that he was not talking about nationalization or confiscation of land. His Minister of Finance, Rufo Lopez Fresquet, added the land taken by the Government would be paid for and would be organized into cooperatives.

Dr. Castro spoke at a National Press Club luncheon. Because U.S. security agents had received a warning that an attempt might be made to poison him, his food was separately cooked, and a waiter changed the dishes, butter, pastry, and water at his place just before he began to eat.

Policemen were stationed every 15 feet around the entrances, and many others were inside the building. Bearded Cuban security agents also stood guard.

Although informed of the precautions, the young Premier, wearing open-necked battle dress, seemed in good humor. In reply to a question about the revolutionaries' whiskers, he said:

"When we finish our job we will cut off our beards."

Dr. Castro made these points in an informal talk and in answer to questions:

Cuba has not received any offer of economic aid from the Soviet Union or any other nation—"and we have not asked for it.

"We didn't come here to get money. Many men come here to sell their souls. We want only understanding and sympathy.

"Where there are hungry people there is no real democracy.

"We are against all kinds of dictators, whether of a man, or a country, or a class, or an oligarchy, or by the military. That is why we are against communism.

"The last thing I am is a military man. I have this dress because it was my dress during 2 years, but I have no medals. I don't like military ornaments. Ours is the only country in the world without generals. It is also the only country without colonels."

VISIT TO CAPITAL ENDS

The speech ended Premier Castro's 5-day visit to Washington. He had been received by Vice President RICHARD M. NIXON and Acting Secretary of State Christian A. Herter. But he did not see President Eisenhower, who was on a golfing vacation in Georgia.

Members of the Castro party said he would have liked to meet President Eisenhower, but he was satisfied. Before leaving by rail for Princeton, N.J., to continue his 2-week tour, Dr. Castro said:

"I feel very happy toward the people of Washington. All the people here were very nice with me. I am going to leave Washington really with regret because in my short days in this city I have come to know many good people."

He was asked whether he had achieved what he hoped for. "Yes," he replied, nodding vigorously. "I really believe."

Earlier Dr. Castro had placed a wreath on the Tomb of the Unknown Soldier in Arlington Cemetery.

He also stopped at a school playground. The children, apparently admiring the beards and long locks of the Castro group, applauded enthusiastically.

GIVES VIEW ON ELECTIONS

Explaining his decision not to hold elections for 4 years, Dr. Castro told the luncheon that before a truly democratic vote could take place Cuba must take steps to put her unemployed to work and teach the people to read and write.

"If we had an election tomorrow we would win more easily than in 2 years," he added. "Elections now would be elections without opposition parties."

He was asked how, as a former lawyer, he justified "double jeopardy" in the case of Batista airmen who were tried a second time after having been acquitted on charges of bombing the civilian population.

With some heat he replied that if the defendants were entitled to an appeal, so were "the people."

His Minister of Finance said basis of land reform would be not size but use.

"We are not going to make the mistake the Mexicans made," Senior Lopez said, "by breaking up efficiently producing estates."

How much land owned by United States citizens would be affected could not be readily ascertained according to figures published by Cuba for 1955. United States concerns owned 39 sugar refineries with 40 percent of Cuba's sugar production.

CASTRO REACHES PRINCETON

PRINCETON, N.J., April 20.—Premier Castro came to this college town tonight to begin his crusade to reach American public opinion outside the National Capital.

He arrived without ceremony or much public attention by train from Washington at dusk.

[From the Washington Post and Times Herald, Apr. 21, 1959]

CASTRO SAYS CUBA WILL LEGALLY EXPROPRIATE LAND

(By Phil Casey)

Fidel Castro, saying Cuba wants to be an example of "real democracy," told the National Press Club yesterday he will "expropriate legally" the land needed for agrarian reform.

This land-reform, the 32-year-old Cuban Prime Minister said, is the "base" of Cuba's economic program to improve living standards and help destitute and "starving" Cubans.

The statements came in answer to a question about American-owned sugar plantations. Castro did not make clear whether the expropriations would be confined to land now idle.

"We are going to expropriate legally lands for agrarian reform," he answered, "not nationalize them, not confiscate them."

Reasserting his belief in democracy and opposition to communism, Castro told the audience he wants Cuba to "be an example for Latin America of representative, honest government, and real democracy."

Predicting Cuba and the United States "will be wonderful friends," Castro said, in answer to a question about his feelings toward Soviet Premier Nikita Khrushchev: "We are against all kinds of dictatorship * * * that is why we do not agree with communism." He said he had not been offered or received any aid from Russia or any other country.

"Many men come here selling their souls," Castro said. "I really came here only seeking for understanding * * * honest sympathies."

The young revolutionary disclaimed any interest in the military. "The last thing that I am is military," he said, adding that he wore his uniforms because they are "simple," and stand for the heroism of the Cuban revolution. "Cuba is the only country in the world without generals," he said. "The only one without colonels."

From Washington, the Cuban went to Princeton University where he spoke before what was perhaps the most unusual seminar in the university's 213 years. Washington Post reporter Karl Meyer reported that Castro brought some 300 students and faculty members to their feet, cheering, as he spoke on "Revolution" before a meeting of the American civilization study program.

Before he entered Woodrow Wilson Hall, about 1500 undergraduates nearly started a riot of the kind traditional at springtime on college campuses. State police managed to restrain the friendly students from mobbing the rebel leader.

[From the Grants Pass (Oreg.) Courier, Apr. 22, 1959]

ONLY TIME WILL GIVE ANSWER—BEARDED YOUNG MAN FROM CUBA SELLS HIMSELF TO U.S.A. WITH HIS SINCERITY

(By Ben F. Meyer)

WASHINGTON.—It was not long ago that a lot of people around Washington regarded Fidel Castro as "just another of those Latin American revolutionaries." They thought he ought to go out and get himself a shave, and stop those executions in Cuba.

Today the bearded young man has a lot of new friends here, some in surprising places, who think he is sincere and is trying his best to do a good job for Cuba. They hope he'll carry out his promise of good government in the little republic long ridden by graft and dirty politics.

There are still some skeptics here, too, but they seem in the minority now. It may be because, as Castro puts it: "I did not came (sic) for money, but for friends, and to clear things about our revolution."

As he left Washington for the remainder of his 2-week tour, he could look back on a good start.

He seemed to make friends, all right. Boys and girls screamed with delight whenever they saw him.

Grownups, in high places and elsewhere, said they got a much more hopeful viewpoint of what has happened in Cuba, and higher hopes for its future under Castro.

Even at the State Department, where there was a great deal of reserve about the bearded man who came to Washington without an official invitation, one observer said: "The guy makes a good showing. He handled himself well."

Castro did nearly all of his talking here to newsmen. He addressed two gatherings of newsmen, gave innumerable interviews between speeches, and made one appearance on a television news panel show—Meet the Press.

Sometimes, he concedes, he does not say things as well as he would like. One of those times was when he said on the TV show that it might possibly be 4 years before elections could be held in Cuba.

It was the first time he had talked of elections so far in the future.

Talking with newsmen later, Castro himself introduced the topic of elections, and said he was "not happy—because I did not explain well." He bore down to explain that "I know it is hard to believe, but the people of Cuba do not want elections now." Cuban newsmen nodded their heads in vigorous support.

Fidel Castro appears to have established among a lot of people here the confidence that he is trying to do a good job.

But the confidence is not unconditional.

As one editor put it: "O.K. Let's say we believe he's sincere. Now it's up to him, as his program moves along, to see if he carries out what he say he believes in."

[From the Northern Virginia Sun, Apr. 24, 1959]

INDIVIDUAL RIGHTS: CUBA VERSUS UNITED STATES—DR. CASTRO VIEWS THE LAW

Cuban Prime Minister Fidel Castro, on his good-will visit to the United States, is making an impression of sincerity and earnestness on those who see and hear him.

In his appearance at the National Press Club on Monday, he was charming in his speech to the newsmen, and forthright in his answers to their questions.

The two most difficult questions concerned the timing of the next Cuban elections and the war crime trials that have brought his regime so much criticism.

Asked about an earlier statement that his government planned to wait 4 years before holding popular elections, Dr. Castro assured his audience that his regime had no incentive to postpone elections, since there is an inevitable tendency for any regime's power to erode with time. Quick elections, he said, would result in an overwhelming Castro victory, whereas later elections might not.

Moreover, he said, after years of dictatorship under Batista, there is presently no party or other political organization in Cuba to furnish the basis for a fair test of public opinion. Elections, he said, should await the development of political parties and an attack on the problem of mass illiteracy.

This is sensible, provided the time until elections is put to good use in encouraging political organization—even by the opposition—and reducing illiteracy. The quickest test of his sincerity in making Cuba democratic, however, will be whether he encourages and allows a free press, free speech, and an independent judiciary.

The question about the war crime trials concerned a Batista supporter accused of bombing civilians acquitted by one court but later convicted by a higher court.

Under the American system of law, the Federal Government and most States are prohibited from appealing to a higher court the acquittal of an accused person, on the grounds that to take such an acquittal to a higher court constitutes "double jeopardy."

Dr. Castro's concept of the law, as evidenced in his answer, is different from the American concept. Since the accused, if convicted, has the right to appeal his conviction to a higher court, why shouldn't the government (i.e., the people) have the same right of appeal in case he is acquitted? Why should this be a one-sided right, Dr. Castro asks?

Actually, this view is not wholly opposed to the American philosophy, since those States which do not have "double jeopardy" clauses in their constitutions may appeal an acquittal without running afoul of the "due process" provisions of the U.S. Constitution.

Still, the prevailing concept is to regard an acquittal as final, which is in keeping with the Anglo-Saxon philosophy that it is far better to let a thousand guilty men go free than to convict one innocent man.

[From the Portland, Oreg., Oregonian]

CASTRO MADE A HIT WITH U.S. EDITORS

(By Robert C. Notson, managing editor, the Oregonian)

(Mr. Notson has just returned from sessions of the American Society of Newspaper Editors in Washington, D.C., at which he was elected a director of the society, the first Pacific coast representative in many years. His impressions of Fidel Castro follow.)

Fidel Castro has done an outstanding job of selling himself to the American people on his current visit to the United States. This was a general opinion voiced among members of the American Society of Newspaper Editors, who heard him speak Friday in Washington, D.C., and who watched him perform elsewhere over the weekend. Appearance of the Cuban Premier had been attacked by some of the editors. Others had expressed misgivings over the invitation, which had bypassed the State Department. Despite all controversy, there was great curiosity as to Castro, as a person, and what he would do and say. A throng greeted him in the presidential ballroom of the Statler Hotel.

When he entered with his whiskered entourage, applause was sparse. A few editors struggled to their feet, a gesture common in case of a distinguished guest. Then a few more got up, followed by more. Most of the crowd stood, but it was a ragged demonstration.

At the end of 2½ hours of very earnest speaking by way of questions and answers, the crowd rose spontaneously and gave Castro a real hand. Editors who had been cool to him admitted that they were convinced of his essential sincerity and good intent.

Castro labored to get over his ideas in English, and did a pretty fair job of it, with only occasional aid from his interpreter, as he searched for the right expressions. It was difficult to cast this soft-spoken, but intense, young man in the role either of a vengeful conqueror or potential dictator.

The editors applauded roundly his statement that he was not a Communist and that Communists, if any, played no significant role in his Government. They also gave approval when he made it clear that he would favor the United States in any clash with Iron Curtain countries. He said that his "neutrality statement" had been widely misunderstood. He meant, he said, only that Cuba had no present ability to assist in any military enterprise.

He made it clear that he would honor all international commitments, including those for U.S. bases in Cuba. Without American bases, Castro said, Cuba would have no defense against external aggression.

The premier strongly justified his executions of war criminals. He protested the statement that has recurred in the American press that he was "executing followers of Batista." Executing mere followers would be a crime in itself, he said. While proceedings had been summary in some cases, in every one of them there was a well-documented dossier of proof, supported by testimony, he maintained.

Castro charged that 20,000 persons had been tortured, and put to death under Batista, and that the public treasury had been stripped of $200 million.

He made two telling points with the editors:

The revolutionary army had been singular for its discipline, and there had been no substantial instance of mistreating prisoners or abusing civilians.

This was the only revolution in history where there had been an orderly take over of power without rioting, looting and lynchings.

The reason, he said was that he had promised the people expeditious justice for war criminals and, lacking this, the people would have taken matters into their own hands. Military courts handled the cases, because all other courts had been corrupted by Batista.

He promised reconstituted courts in a few weeks and free elections in 2 to 3 years. An election now would simply result in overwhelming victory for his 26th of July movement, as there is no opposition worthy of the name, Castro observed.

He told of 20 percent unemployment and serious economic dislocations and declared that the first job of his administration would be to get business and farms functioning. Castro noted that he had been prodded by the press of this country as to when he would restore all freedoms. He said most of them had been restored, and all would be but the right to eat comes first.

Despite demonstrations, picketing and challenges, as the large delegation disported itself around Washington, no untoward incident was reported. The bearded retinue behaved in exemplary fashion. Castro brought many of his intimates who had been long with him in the mountains. He said he couldn't pick and choose.

THE CARNATION AS THE NATIONAL FLOWER EMBLEM

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I received this morning the following letter from the Crystal Greenhouses, of Tewksbury, Mass. Tewksbury is a part of Greater Lowell, where I live:

CRYSTAL GREENHOUSES,
Tewksbury, Mass., April 28, 1959.

Hon. EDITH NOURSE ROGERS,
New House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ROGERS: It is with great pleasure and equal pride that we send you this gift of carnations.

We hope that next week when the vote on resolution No. 56 comes up that you will consider carnations worthy to be voted the national flower emblem of the United States.

Our reason for wishing this done is perhaps a bit selfish; however, we feel the carnation to be a flower of distinctive beauty and most adaptable to all occasions.

Sincerely yours,

RUTH CAMUSO,
Secretary.

Those who enjoyed some of the carnations that were distributed today realize their beauty. These carnations have the longest stems I have ever seen in a carnation.

In my district, especially in Woburn, Mass., there are growers who produce equally beautiful carnations in many colors. In Woburn they know how to grow the orchid carnation, which is very beautiful and is used by one of the great silver companies in the United States in its advertising. I hope that sometime the House will have some of those carnations from Woburn.

I will appreciate any consideration that the Members of Congress can give toward naming the carnation our national flower.

Mr. PATMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Texas, very gladly.

Mr. PATMAN. Is the carnation a national flower of any other country?

Mrs. ROGERS of Massachusetts. I do not think it is. Does the gentleman know?

Mr. PATMAN. I do not know.

Mrs. ROGERS of Massachusetts. I think it is distinctively a flower of the United States. I believe that Ohio has it as a State flower, but I do not think any other country has the carnation as its flower. You all know of the fragrance of the carnation and its clean, fresh fragrance, and when the carnation dies it does not leave an oppressive odor as some other flowers do.

The Belmont gardenias were first grown in my district, and they are wonderfully beautiful. They are gorgeous. Nick Longworth said it was the most beautiful flower in the world. Very beautiful and rare flowers are grown in my fifth congressional district.

THE HONORABLE LISTER HILL

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have in my hand the program of the testimonial luncheon today honoring the Honorable LISTER HILL from Alabama at the Mayflower Hotel in connection with the Health 1959 Award U.S.A., which was presented by the Washington Board of Trade and the Medical Society of the District of Columbia. I was privileged to be a guest.

This very distinguished gentleman was a Member of the House for several years. He was always very kind and very helpful as well as able. I remember his tremendous and helpful work for the veterans, and now that he is in the Senate, he never forgets them. In spite of all his work, he devotes much time to a general health program, and he has never forgotten, as have some others, improving the lot of the veterans, general care for the veterans, to see that they have enough money for research and hospital money and every kind of service for them. He does everything possible to be helpful to our veterans who some people seem to have forgotten.

Mr. Speaker, I ask unanimous consent that this program be placed in the RECORD as part of my remarks as an expression of appreciation to the Washington Board of Trade and the Medical Society of the District of Columbia for its splendid recognition of a great Senator and a man dedicated to the health of the Nation.

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

There was no objection.

The program is as follows:

TESTIMONIAL LUNCHEON HONORING THE HONORABLE LISTER HILL, UNITED STATES SENATOR FROM ALABAMA, MAYFLOWER HOTEL, APRIL 29, 1959—HEALTH 1959 AWARD, U.S.A.—WASHINGTON BOARD OF TRADE AND THE MEDICAL SOCIETY OF THE DISTRICT OF COLUMBIA

DAIS

Hon. GORDON ALLOTT, U.S. Senator, Senate Committee on Appripriations.

Dr. Justin M. Andrews, director, National Institute of Allergy and Infectious Diseases.

Dr. Francis A. Arnold, Jr., director, National Institute of Dental Research.

Dr. Pearce Bailey, director, National Institute of Neurological Diseases and Blindness.

Dr. Louis H. Bauer, secretary-general, the World Medical Association.

Ralph E. Becker, general counsel, Albert Schweitzer Hospital Foundation.

John E. Bryan, general manager, Birmingham Chamber of Commerce, Birmingham, Ala.

Dr. Leroy E. Burney, Surgeon General, United States Public Health Service.

Julius N. Cahn, general chairman; Director International Health Study, Senate Committee on Government Operations.

Earle D. Chesney, Assistant to the Deputy Assistant to the President.

Dr. Floyd S. Daft, director, National Institute of Arthritis and Metabolic Diseases.

Hon. WINFIELD DENTON, Member of Congress, House Appropriations Subcommittee on Health, Education, and Welfare.

Hon. Lawrence Derthick, Commissioner of Education, Health, Education, and Welfare Department.

Dr. W. Leroy Dunn, president, the Medical Society of the District of Columbia.

Hon. Arthur S. Flemming, Secretary, Health, Education, and Welfare.

Hon. JOHN FOGARTY, Member of Congress, Chairman, House Appropriations Subcommittee on Health, Education, and Welfare.

Dr. Gunnar Gundersen, president, American Medical Association.

Hon. OREN HARRIS, chairman, House Committee on Interstate and Foreign Commerce.

Hon. CARL HAYDEN, U.S. Senator, chairman, Senate Committee on Appropriations.

Dr. John R. Heller, Director, National Cancer Institute.

Ernest F. Henry, chairman, Community Affairs Council, Board of Trade.

Mrs. Lister Hill.

Hon. LISTER HILL, U.S. Senator, chairman, Senate Committee on Labor and Public Welfare.

Hon. HUBERT H. HUMPHREY, U.S. Senator, chairman, Subcommittee on Reorganization and International Organizations Committee on Government Operations.

Hon. LYNDON B. JOHNSON, U. S. Senator, chairman, Senate Democratic policy committee.

Hon. MELVIN LAIRD, Member of Congress, House Appropriations Subcommittee on Health, Education, and Welfare.

Hon. JOHN L. MCCLELLAN, U.S. Senator, chairman, Senate Committee on Government Operations.

Ross T McIntire, vice admiral, U.S. Navy (retired), executive director, International College of Surgeons.

Hon. Robert E. McLaughlin, President, Board of Commissioners, District of Columbia.

Maj. Gen. Melvin Maas, Chairman, President's Committee on Employment of the Physically Handicapped.

Dr. Charles W. Mayo, Mayo Clinic.

Hon. James P. Mitchell, Secretary of Labor.

E. K. Morris, president-elect, Washington Board of Trade.

Hon. WAYNE MORSE, U.S. Senator, Senate Committee on Foreign Relations.

Hon. JAMES E. MURRAY, U.S. Senator, chairman, Senate Committee on Interior and Insular Affairs.

Hon. RICHARD L. NEUBERGER, U.S. Senator, Senate Committee on Interior and Insular Affairs.

Mrs. Katherine B. Oettinger, Chief, U.S. Children's Bureau.

Dr. John Parks, dean, Medical School. George Washington University.

Hon. OTTO E. PASSMAN, Member of Congress, chairman, House Appropriations Subcommittee on Foreign Operations.

Hon. JOHN O. PASTORE, U.S. Senator, Joint Committee on Atomic Energy.

The Very Reverend Monsignor Russell A. Phelan, Church of the Annunciation.

Hon. SAM RAYBURN, Member of Congress, Speaker, House of Representatives.

Dr. C. P. Rhoads, director, Sloan-Kettering Institute.

Hon. EDITH NOURSE ROGERS, Member of Congress, ranking minority Member, House Veterans' Affairs Committee.

Hon. Dean Rusk, president, the Rockefeller Foundation.

Dr. Howard A. Rusk, director, New York University-Bellevue Institute of Rehabilitation.

Dr. Leonard A. Scheele, former Surgeon General, U.S. Public Health Service.

Victor O. Schinnerer, president, Washington Board of Trade.

Hon. Fred A. Seaton, Secretary of Interior.

Dr. James A. Shannon, Director, National Institutes of Health.

Maj. Gen. Howard McC. Snyder, Physician to the President.

Hon. JOHN W. SPARKMAN, U.S. Senator, chairman, Senate Committee on Small Business.

Hon. JOHN STENNIS, U.S. Senator, Senate Committee on Armed Services.

Dr. Richard T. Sullivan, chairman, public health committee, Washington Board of Trade.

Edward C. Sweeney, government relations chairman, "Health—U.S.A." Committee.

Miss Mary E. Switzer, Director, Office of Vocational Rehabilitation.

Dr. C. J. Van Slyke, Deputy Director, National Institutes of Health.

Hon. OLIN E. TEAGUE, Member of Congress, chairman, House Committee on Veterans' Affairs.

Selman A. Waksman, professor emeritus, Institute of Micro Biology, Rutgers University.

Dr. Alan T. Waterman, Director, National Science Foundation.

Dr. James Watt, director, National Heart Institute.

Dr. Paul Dudley White, past president, American Heart Association.

Hon. Sumner G. Whittier, Administrator, Veterans' Administration.

Hon. HARRISON A. WILLIAMS, U.S. Senator, Senate Committee on Labor and Public Welfare.

HONORARY LUNCHEON COMMITTEE

In addition to the Honored Guests on the Dais, the Honorary Luncheon Committee comprises the following individuals:

Hon. GEORGE W. ANDREW, Member of Congress, House Committee on Appropriations.

Dr. Karl Bambach, executive vice president, Pharmaceutical Manufacturers Association.

Dr. Stanhope Bayne-Jones, former Chairman, Secretary's Committee on Medical Research and Education, Health, Education, and Welfare.

Dr. Frank B. Berry, Assistant Secretary of Defense.

Hon. Leslie Biffle, former Secretary of the Senate.

Hon. FRANK W. BOYKIN, Member of Congress, member, House Committee on Veterans' Affairs.

Dr. Irving Brick, associate professor of medicine, Georgetown University Medical School.

Hon. STYLES BRIDGES, U.S. Senator, chairman, Senate Republican Policy Committee.

Dr. Detlev Bronk, president, National Academy of Sciences National Research Council.

Dr. Leonard Carmichael, Secretary, Smithsonian Institution.

Hon. ALLEN J. ELLENDER, U.S. Senator, chairman, Senate Committee on Agriculture.

Hon. CARL ELLIOTT, Member of Congress, member, House Committee on Education and Labor.

Dr. Sidney Farber, director of research, the Children's Cancer Research Foundation.

Dr. Robert H. Felix, director, National Institute of Mental Health.

Dr. Robert Fischelis, secretary, American Pharmaceutical Association.

Dr. Frank Fremont Smith, medical director, Josiah Macy, Jr. Foundation.

Mike Gorman, executive director, National Committee Against Mental Illness.

Hon. GEORGE M. GRANT, Member of Congress, House Committee on Agriculture.

Hon. Leo A. Hoegh, Director, Office of Civil and Defense Mobilization.

Hon. GEORGE HUDDLESTON, JR., Member of Congress, House Committee on Armed Services.

Dr. O. B. Hunter, Jr., past chairman, public health committee, Washington Board of Trade.

Dr. H. Van Zile Hyde, Assistant to the Surgeon General for International Health.

Hon. JACOB K. JAVITS, U.S. Senator, Senate Committee on Labor and Public Welfare.

Hon. ROBERT E. JONES, Member of Congress, House Committee on Government Operations.

Hon. JOHN P. KENNEDY, U.S. Senator, Committee on Foreign Relations.

Hon. ROBERT S. KERR, U.S. Senator, Senate Committee on Finance.

Mrs. Mary Lasker, chairman, National Health Education Committee.

Richard M. Loughery, administrator, Washington Hospital Center.

Dr. Pascal Lucchesi, executive vice president and medical director, Albert Einstein Medical Center of Philadelphia.

Hon. JOHN W. MCCORMACK, Member of Congress, majority leader, House of Representatives.

Dr. Aims C. McGuiness, Assistant to the Secretary, Health, Education, and Welfare.

Benjamin M. McKelway, editor, the Evening Star.

Hon. WARREN G. MAGNUSON, chairman, Senate Committee on Interstate and Foreign Commerce.

Mrs. Florence Mahoney, cochairman, National Committee Against Mental Illness.

Dr. Berwyn F. Mattison, executive director, American Public Health Association.

Hon. James M. Mitchell, Associate Director, National Science Foundation.

Hon. THOMAS MORGAN, Member of Congress, chairman, House Committee on Foreign Affairs.

Hon. Robert Murphy, Under Secretary of State.

Dr. William Murray, director, Southern Research Institute, Birmingham, Ala.

Dr. Alton Ochsner, Ochsner Clinic, New Orleans, La.

Mr. Basil O'Connor, president, the National Foundation.

Dr. Louis M. Orr, president-elect, American Medical Association.

Dr. George Papanicolaou, department of anatomy, Cornell University Medical College.

Kenneth Wells Parkinson, president, Junior Chamber of Commerce.

Dr. James E. Perkins, managing director, National Tuberculosis Association.

Hon. ALBERT RAINS, Member of Congress, House Committee on Banking and Currency.

Hon. KENNETH A. ROBERTS, chairman, Subcommittee on Health and Safety, House Commerce Committee.

Mr. Mefford Runyon, executive vice president, American Cancer Society, Inc.

Phillip E. Ryan, executive director, National Health Council.

Hon. ARMISTEAD I. SELDEN, JR., Member of Congress, House Committee on Foreign Affairs.

Hon. GEORGE A. SMATHERS, U.S. Senator, Committee on Interstate and Foreign Commerce.

Dr. Austin Smith, president, Pharmaceutical Manufacturers Association.

Hon. MARGARET CHASE SMITH, U.S. Senator, Senate Committee on Armed Services.

Dr. E. L. Stebbins, dean, Johns Hopkins School of Hygiene.

Dr. John R. Steelman, former Assistant to the President of the United States.

Dr. George S. Stevenson, national and international consultant, National Association for Mental Health.

John H. Teeter, executive director, Damon Runyon Memorial Fund for Cancer Research.

Dr. William Walsh, president, People to People Foundation.

Brig. General Alvin C. Welling, Engineer Commissioner, District of Columbia.

AN EXPRESSION OF APPRECIATION FROM VICTOR SCHINNERER, PRESIDENT, WASHINGTON BOARD OF TRADE

On these pages, you see a galaxy of distinguished names. They symbolize the high esteem in which our guest of honor is rightly held. But in their own right, they signify the wealth of talent and leadership which makes Washington, D.C.—our Nation's Capital—a great center of health.

The Washington Board of Trade is proud to be of service in focusing the spotlight of honor on an outstanding public servant—Senator LISTER HILL. In so doing, the board joins with him and his associates and friends in looking forward to new horizons of American health.

The great American system of private medicine is well represented today by our cosponsoring organization, the Medical Society of the District of Columbia. No great nation enjoys higher medical standards than we do, thanks to dedicated physicians of the type at this luncheon. The annual "Health—U.S.A." Award is, therefore, a salute both to the past and to the future.

For helping to make this association possible, the board expresses its gratitude to many civic-minded citizens and organizations—locally, to the Health and Welfare Council and the Pharmaceutical Association; nationally, to the American Medical Association, the American Pharmaceutical Association, the Pharmaceutical Manufacturers Association, the National Health Education Committee, and others.

Special credit is due to the board's own public health committee—to Chairman Richard T. Sullivan, M.D., and Vice Chairman Julius N. Cahn. Dr. Sullivan, active on many medical fronts for our community, has served in the past as delegate of the Medical Society to the Federation of Citizens Associations. Julius N. Cahn is eminently qualified to serve as this year's general chairman, in view of his very successful leadership of last year's similar occasion, his many responsible posts with the U.S. Senate and as chairman of various civic bodies.

Award chairman for "Health—U.S.A." is another highly regarded citizen, Ralph E. Becker, newly elected to the board of directors of the Washington Board of Trade and prominent in support of many notable civic projects identified with American health.

PROGRAM

Introduction: Richard T. Sullivan, M.D., chairman, public health committee Washington Board of Trade.

Invocation: The Very Reverend Monsignor Russell A. Phelan, Church of the Annunciation.

Welcome: Victor O. Schinnerer, president, Washington Board of Trade.

The U.S. Senate: Forum for Greatness: Julius N. Cahn, general chairman.

Greetings from the Congress: The Honorable LYNDON B. JOHNSON, U.S. Senator, majority leader, U.S. Senate.

Salute from private health organizations: Ralph E. Becker, award chairman.

Statement from the executive branch: The Honorable Arthur S. Flemming, Secretary, Health, Education, and Welfare.

Tribute from the Scientific Community: Selman A. Waksman, professor emeritus, Rutgers University.

Message from Alabama: John E. Bryan, general manager, Birmingham Chamber of Commerce.

Presentation: Dr. Howard A. Rusk, director, New York University-Bellevue Medical Center, Institute of Physical Medicine and Rehabilitation.

Response: The Honorable LISTER HILL, U.S. Senator, chairman, Senate Committee on Labor and Public Welfare.

"GOLDEN AGE OF MEDICINE"—EXCERPTS OF ADDRESS DELIVERED JUNE 12, 1958, BY THE HONORABLE LISTER HILL ON THE OCCASION OF RECEIVING HONORARY DOCTOR OF SCIENCE DEGREE, HAHNEMANN MEDICAL COLLEGE OF PHILADLELPHIA

"We stand at the threshold of a momentous era—a Golden Age of Medicine.

* * * * *

"May I predict that within a few short years the world will see a momentous breakthrough of medical knowledge that will enable us to overcome many of the dread diseases that have plagued and baffled man through the ages. There is reason for confidence that this breakthrough will yield many answers in the battle against heart disease, cancer, mental illness, and other crippling and degenerative diseases.

"The breakthrough of knowledge will not come from any one discovery. It will be the accumulation of many discoveries.

* * * * *

"Medical research, tremendously expanded in the past 15 years, is making possible this dramatic new thrust in medical progress.

* * * * *

"Today we see a new unity of medical research and medical practice. New research findings, new drugs, and new techniques are communicated immediately to the practicing physician, and the local doctor finds new opportunity for greater service and accomplishment in his chosen profession, for greater satisfaction and rewards in serving his fellow man.

* * * * *

"But all the wondrous new drugs and chemicals, the ever more delicate and subtle devices, the greater knowledge of nutrition and preventive medicine, all we know of human life and its mysterious workings—these are only the sinews and the tools of medicine.

"The doctor is the mind, the spirit, the genius of medicine. The doctor is ever the central figure in the drama of medical care. All else is to assist him to do his best, to help him achieve the best possible results.

"We must realize that if the doctor is to do his best, he must remain free and uncontrolled. Only as the doctor finds the inspiration and enjoys the individual action that freedom gives—to explore, to inquire, to discover, to serve in his own way—only then can he give his best, only then can we continue the marvelous progress of American medicine.

"For even in the coming Golden Age of Medicine, medical practice will not lose its central, vital fact—the human relationship between the doctor and his patient. Indeed, there will be greater need than ever before for this reassuring personal contact in our troubled world, where the individual is beset on one side with massive world problems, and on the other is subjected to deep personal tensions.

* * * * *

"I say to you, go forward, doctors, into the ever-widening, the endless frontiers of medical discovery and medical knowledge, to serve as our fathers served: healing the sick and making whole the maimed, safeguarding the mothers in childbirth and the infant so newly come to this world, bringing life and health and happiness to our fellow man, following with humility and faith in the footsteps of Him who nearly two thousand years ago was called the Great Physician."

HEALTH—U.S.A. COMMITTEE

General Chairman: Julius N. Cahn.

Chairman of the Public Health Committee: Richard T. Sullivan, M.D.

Award Chairman: Ralph E. Becker.

Government Relations Chairman: Edward C. Sweeney.

Liaisons: American Medical Association: Cecil Dickson; Medical Society of the District of Columbia: Theodore Wiprud and Lawrence Zupan; Health and Welfare Council, Isadore Seeman; Printing, Joseph E. Jones; Reception, Mrs. Julius N. Cahn, Mrs. Ralph E. Becker, and Mrs. Edward C. Sweeney.

Secretary: Henry P. Loss.

IMPORT RESTRICTIONS ON CRUDE AND RESIDUAL OIL

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 20 minutes.

Mr. CONTE. Mr. Speaker, it is already apparent that the President's recent decision placing import restrictions on crude oil and residual fuel oil may have profound inflationary effects on our economy.

A few weeks ago I rose here on the floor to point out the dire results which the Presidential proclamation might have on the economy of New England. I pointed out that a national economic policy which continually inflates the cost of the raw materials we need, while it gives no support to the price of finished products we produce ourselves, can only bring disaster to the people of New England.

It is becoming increasingly clear, Mr. Speaker, that the President's ruling will have the most serious repercussions not only in New England, but in the Nation as a whole.

Because of this situation I have written to Vice President RICHARD M. NIXON, urging that the Cabinet Committee on Price Stability for Economic Growth, of which he is chairman, consider as a first order of business the inflationary effects of restrictions on oil imports.

This afternoon I wish to review recent developments in the oil industry and point out the dangers for every American consumer.

On March 10 the President announced his decision placing strict import quotas on crude oil, residual fuel oil and finished petroleum products. Imports of crude oil were cut back about 200,000 barrels a day. Residual fuel oil imports were rolled back to 1957 levels, resulting in a heavy cutback. Imports of finished petroleum products were sharply curtailed.

The reason for this decision, we were told, was to strengthen the national security—because with imports curtailed, it was thought that the domestic industry would be stimulated to produce more and carry on more exploration work, so that in the event of a national emergency we would have ample domestic fuel supplies.

I have already addressed the House regarding the speciousness of that reasoning. Of course, the cutback in oil imports really had nothing to do with national security—it was, and is, a power move of certain economic interests to forward their lot at the expense of the entire Nation.

We may not yet realize it fully, but we are now literally at the mercy of the domestic oil producers. For years they have told us that they wished to raise prices—but obviously they hesitated in taking any such step, in view of the competition of oil from abroad. But now this restraint is gone—and without fear of foreign competition, the domestic oil producers may now raise their prices at will.

Naturally there are many other complex factors regulating oil prices. The balance between supply and demand in the oil industry is very precarious. But I think one cardinal fact is clear. By next winter, when we need vastly increased amounts of oil for home and industrial heating, the prices of oil will begin to rise far more than is seasonally normal.

Mr. Speaker, I have spoken with numerous oilmen regarding the possible results of the Presidential proclamation. All agree that prices will go up. After my conversations with these authorities, I have come to the conclusion that prices of crude oil may rise as much as 50 cents a barrel by next winter, as a direct result of the Presidential proclamation.

I have been shocked to read estimates that residual fuel oil price increases alone may cost my area over $100 million a year.

It is now common knowledge that oil prices will go up. The only question is when and by how much.

Naturally the principal reason for rising prices will be restricted supply. But the Presidential proclamation will have inflationary effects for other reasons as well.

Let us examine recent developments in regard to crude oil. The new regulations divide crude oil import quotas among American refineries principally on the basis of refinery capacity. What has been the result? As the Wall Street Journal pointed out on April 6:

Inland refiners who have not previously imported oil, because they operate too far from the coast, have been given import quotas and are selling such oil, without ever seeing it, at a profit to importers whose quotas have been cut and who can use the oil. And, of course, the consumer pays.

Mr. Speaker, reducing supply is inflationary enough, but when you add an extra seller through whom oil must go before it gets to you, you are increasing the inflationary danger still more.

I wish to quote from a recent letter to its shareholders, dated March 30, 1959, sent out by American Petrofina, Inc., an impoverished oil firm which realized a net profit of $1,542,504 in 1957. Harry A. Jackson, the president of this firm, informed the shareholders, and I quote:

The mandatory import program recently approved by President Eisenhower * * * extends long-awaited benefits to American Petrofina, Inc.

I would like to ask whether the intent of the administration's order is to "extend long awaited benefits" to American Petrofina or any other oil firm?

Let me continue to quote from this letter:

Under license just received from the Department of the Interior—

Jackson wrote—

the company is authorized to import 4,050 barrels a day of foreign crude oil during the initial quota period. The effect to the company of this allocation is of real significance and * * * should result in a substantial improvement in earnings.

Let me pause at this point to say that if I were a stockholder of American Petrofina, Inc., I would be delighted to hear this news. But as a consumer, and as a representative of a part of the Nation which is not studded with oil wells, I object strenuously. It is not the proper role of our Government to subsidize any industry in this way.

Mr. Jackson concludes by saying:

The prospects of your company for the remainder of the year are brightened by the Government's action, and I thought the information would be interesting and welcome to you.

For the Nation as a whole, Mr. Speaker, this news is not welcome in the least. It bears out what I have charged before here on the floor of the House—that the President's ruling will cost the people of New England, and of the Nation as a whole, millions and millions of dollars each year.

And who stands to benefit from this situation? Will the move help the consumer in New England, or the Midwest, or Far West—the average American family or business, trying to make ends meet? Or is the move simply a bonanza for the already wealthy and powerful oil interests of the Southwest? I believe the answer is all too clear.

Mr. Speaker, while the problem of crude oil imports affects the greater part of the Nation, we should also take particular note of the residual fuel oil problem. Here the inflationary dangers are just as great, and even more alarming for New England and certain other parts of the Nation which face a disastrous rise in already-inflated production costs. At this point I wish to include the text of a special bulletin sent to members of the Empire State Petroleum Association, Inc., by the organization's secretary, Harry B. Hilts, on April 3 of this year. This report shows that the President's ruling in regard to residual fuel oil is having disturbing effects on the oil industry, and may result in dire hardships by next winter:

1. Sixty-five percent of the residual demand takes place in the fall and winter heating seasons, while only 35 percent of the demand is consumed in the off months. Therefore, unless the overage above demand in the off months is made available for use in the heavy demand period we see nothing but chaos and maldistribution facing heavy oil users. The overage in summer supply cannot be held over because:

2. There is not enough residual storage available on the east coast to store the overage that will be available during the low-demand period. Nor, under the threat of continued restriction, is there any likelihood that additional storage will be built. This factor alone certainly is not in the interest of the consumer and, more particularly is not in the interest of the national security which seems to be the great concern in Washington.

3. This situation is further aggravated when the following factors are applied to the restriction of residual:

(a) Nineteen hundred and fifty-seven was a warmer winter than 1958. Since quotas are based upon 1957 imports this is in itself bound to bring about a shortage in overall supply to meet the greater demand created in 1958 and 1959.

(b) During 1957 there was abatement in the need for imports due to the industrial recession.

(c) We know of instances of new import contracts made in 1958 which did not exist in 1957 and for which no quota has been granted to provide for this additional supply.

4. Nineteen hundred and fifty-seven was a bad year for imports due to industry acquiescing to the Government's request to divert Caribbean-made residual from east coast ports to oversea countries during the Suez crisis. While some of this diverted supply was made up by gulf coast refiners, much of this product will not now be available due to the conversion of residual to coke.

5. Even if domestic refiners were inclined to make up the shortage, economics would be against them due to the unavailability of supply of heavy crude except in California. Even in the California area the industry is taking a long and hard look at its own statistical position which has resulted in price increases for this product.

We know it is not pleasant for anyone in the east coast marketing segment to review the above factors, but they are there. They exist in fact and not in fiction and unless something is done immediately to correct this situation, the responsibility will be clearly defined. Since the inclusion of residual fuel oil imports in the restrictions seems to be the result of a purely arbitrary political decision, the time seems to have arrived when it is appropriate for east coast congressional representatives to demand public proof of the harm to national security upon which this decision was made.

Mr. Speaker, this country grew and flourished because we had a free enterprise economy which stimulated economic progress and expansion. Only in dire national emergencies have we resorted to price controls.

But the Executive order restricting oil imports raises a serious question. If such a great industry is to receive special benefits and privileges—at the expense of all American consumers, and important areas of our Nation—then may we not be forsaking our free enterprise tradition?

Are we going to control and regulate our entire economy eventually, so that every American industry may have the same special protection now granted our oil-producing friends? I do not think this is the American way, or what any of us really want.

That is why I have called on Vice President NIXON's group to consider the oil import question on a top-priority basis. I am confident that if this group makes a careful study of the serious implications of the recent Executive order, it will recommend the early revocation of that order.

We will never enjoy price stability in America when one great industry enjoys the unfair and inflationary advantages now enjoyed by our oil producers.

I wish to include at this point the text of the letter I have sent to Vice President NIXON:

APRIL 25, 1959.

Hon. RICHARD M. NIXON,
Vice President,
U.S. Senate, Washington, D.C.

DEAR MR. VICE PRESIDENT: I wish to urge that the Cabinet Committee on Price Stability for Economic Growth, of which you are Chairman, consider as a first order of business the profound inflationary effects which may result from the recent Presidential proclamation placing import quotas on crude oil, residual oil and finished petroleum products.

As you know, imports of crude oil were cut back about 200,000 barrels a day, and residual fuel oil imports were restricted to 1957 levels. The reduced crude oil import allocations are already causing widespread confusion in the oil industry, and creating unnatural patterns of distribution which will eventually lead to increased prices for the consumer.

It will not be until next winter that the serious inflationary effects of restricted imports of residual oil will become clear. But the fact that production of residual fuel oil has become increasingly less profitable for American producers, at competitive prices, means that the consumer will eventually be asked to pay far more for residual fuel oil.

When supply is limited, and sources of competition are effectively removed, prices naturally go up. This is simply economics. I wish to suggest that the time to prevent strong inflationary pressures on our economy from oil prices is now, when there is still time to modify or rescind the recent Presidential proclamation before its most serious effects are felt.

It seems to me that the Cabinet Committee on Price Stability for Economic Growth could perform no greater service for the country than undertaking a careful study of the oil price problem at the present time, and I hope that serious consideration will be given to such a study.

With my very best wishes, I am,

Respectfully yours,

SILVIO O. CONTE,
Member of Congress.

Mr. CONTE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

RECIPROCAL TRADE

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. LANE. Mr. Speaker, the practice of reciprocal trade has many points in its favor as American exporters claim.

When it becomes all-inclusive, it has a backlash that threatens the very existence of some American industries that provide for our domestic needs.

When the United States lacks and needs such materials and products as coffee or economy-sized motor cars, it trades with these supplier nations in exchange for goods that we produce, and they require.

But when reciprocal trade is strained to the point where we permit low-wage foreign products to enter the United States when we have no need for them, and these goods undersell the American producers who provide for our home market we weaken the affected industries, and throw many of our own people out of work.

This is a form of economic suicide. Why our responsible officials not only permit it to happen, but encourage it, is beyond the understanding of the average American who rightly prides himself on his common sense.

The seriousness of this problem was highlighted last week, when the Governors of Massachusetts, New Hampshire and Rhode Island, made a special trip to Washington and asked the President for his help in overcoming the threat of low-wage imports. Foreign competition has the domestic textile industry on the ropes.

According to the New York Herald Tribune:

> The President said he was more inclined to set up a broader committee covering all distressed industries, but would consider a special one for the textile industry.

I submit that we have had a saturation of "committees looking into the matter," and special studies, that have gone around in circles. Their reports are immediately shelved. There is no remedial action.

Textiles have been the chief victim of this national indifference to their predicament, but other industries find themselves engaged in this losing battle. General Electric is one of our most successful industries, and one of our largest employers. This company, while providing for many civilian needs, is also one of the strong elements in the industrial base that is essential to our national defense. The quality of its products is unexcelled.

General Electric put in a bid for the construction of two generators required by a Texas rural electric cooperative. The Brown-Boveri Co. of Switzerland also put in a bid, and was awarded the contract. This foreign competitor is in a favored position to gain the contract for a third generator, and to build generators for a large western city. The loss of the Texas contract alone will eliminate 150 jobs for 1 year at the General Electric turbine and gear facility in Lynn, Mass.

There is bitter irony in the fact that an American industry is being undermined because an agency of the Federal Government does not have the authority under existing law to insist that the recipients of its loans shall "Buy American." In this instance, the Texas cooperative received an $11,480,000 loan from the Rural Electrification Administration. A portion of this money enabled the cooperative to buy steam turbines from a Swiss manufacturer, to the detriment of General Electric and its employees.

In the broad picture, covering textiles and many other enterprises, there is provision under existing law for the Tariff Commission and the administration to raise import duties for the protection of our imperiled industries.

As the administration side-steps this clear remedy, and diverts attention from the immediate problem by the delaying tactic of yet another committee to get lost in its studies, the Congress has no alternative but to pass a buy American bill in order to relieve the distress.

JAPAN

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. POWELL. Mr. Speaker, April 28, 1959, marks the seventh anniversary of the signing of the peace treaties between the United States and Japan. Over 14 years have elapsed since the end of World War II. During which time friendships and confidence and the recognition of the mutual interdependence have developed between the United States and Japan never before envisioned.

The continuing progress in industry and full realization of democratic institutions in Japan have skyrocketed that country well above the traditional poverty line of Asia. Though observers tend to ignore the progress being made there in favor of more dramatic confrontation of China's 5-year plans and those of India, the achievements of Japan with its range of choices within a basically liberal order have great significance to this country for its progress may determine the prospects for freedom in other Asian countries and the ultimate U.S. relations with these countries.

Japan's economy like our own derives its industrial upsurge primarily from a free enterprise capitalism. Their system operates with a few centralized decisions and the country is bursting with entrepreneurial vitality. Few corporations or enterprises are under state operation. In fact, Japan presently has a smaller public sector than it has ever had in modern times. The Japanese, remembering wartime bureaucracy with distaste, I am informed, do not press for nationalization anywhere. Within the last 20 years a reverse trend from nationalization has been the case, for the Japanese Government has turned over most of its properties to the rising business class, with the consequent result that agriculture and commerce are both now primarily in private hands.

For our purposes here an observation of William W. Lockwood in Foreign Affairs last fall is encouraging:

> Today the most striking thing about this island nation, relative to the rest of Asia and relative to the Japan of a generation ago is the advance in mass well being, the rising social mobility, the more equalitarian, the more open political and social structure.

There is a general lessening of gross inequalities in wealth and income reported Lockwood further stated and the farming class with rice prices guaranteed by the government lives nearly on the level with city people for the first time in history. Social security programs, he reported, cover over 12 million workers. While Japan offers a "pilot" project of productive economic capacity and can serve as the needed example to other countries of the non-Communist world seeking to stabilize their economies and raise the economic and social standards of their people, we in the United States must continue to cooperate with the Japanese that a working complement of the two economies can be realized mutually rewarding to both the United States and Japan in the struggle against the Communist economic drive into Asia. There is demand for more markets to compensate for those lost to Communist China and the Soviet bloc and there is need for income that imports of foods and other materials to sustain the swelling population may be secured. What happens in Japan is extremely important to us here in the United States for our future place in the sun is inextricably tied to Japan's place in that sun.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RODINO (at the request of Mr. GALLAGHER), for the balance of the week, on account of death in family.

Mr. LOSER, for Thursday and Friday, April 30 and May 1, on account of official business at Nashville, Tenn.

Mr. BUSH (at the request of Mr. FENTON) for the balance of the week, on account of illness.

Mr. WEAVER (at the request of Mr. HALLECK) for 1 week, through Tuesday, May 5, on account of official business.

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. POWELL (at the request of Mr. MCCORMACK), for 1 hour, today.

Mr. PORTER, for 30 minutes, today, to revise and extend his remarks and to include extraneous matter.

Mrs. ROGERS of Massachusetts, for 5 and 10 minutes, today.

Mr. GEORGE P. MILLER of California, for 20 minutes, on Tuesday next.

Mr. KING of Utah, for 15 minutes, on Tuesday next.

Mr. CONTE, for 20 minutes, today.

Mr. DENT (at the request of Mr. HARRIS), for 90 minutes, on Tuesday, May 5.

Mrs. WEIS (at the request of Mr. CURTIN), for 10 minutes, on Monday, May 4.

Mrs. ROGERS of Massachusetts, for 5 minutes, tomorrow and Friday.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WHITENER and to include a statement.

Mr. MAGNUSON.

Mr. FOLEY and to include extraneous matter.

Mr. HOSMER.

Mr. HOEVEN and to include extraneous matter.

Mr. HARRIS and to include extraneous matter.

Mr. HARRIS to revise and extend the remarks he made in the Committee of the Whole today and to include certain information.

Mr. ROOSEVELT to revise and extend the remarks he made in the Committee of the Whole today and to include extraneous material and certain material in tabular form.

Mr. MCDOWELL and to include extraneous matter.

Mr. WAINWRIGHT in two instances and to include extraneous matter.

(At the request of Mr. HARRIS, and to include extraneous matter, the following:)

Mr. QUIGLEY.

Mr. BOWLES.

Mr. MITCHELL.

Mr. DOLLINGER.

Mr. GALLAGHER.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. SCHWENGEL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

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

ADJOURNMENT

Mr. BROWN of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), under its previous order, the House adjourned until Thursday, April 30, 1959, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

906. A letter from the Assistant Secretary of the Interior, transmitting a certification that an adequate soil survey and land classification has been made of the lands in the Mercedes Division, Lower Rio Grande rehabilitation project, Texas, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation as required by Public Law 172, 83d Congress; to the Committee on Appropriations.

907. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled, "A bill to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes"; to the Committee on Interior and Insular Affairs.

908. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled, "A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes"; to the Committee on Interior and Insular Affairs.

909. A letter from the Secretary of Commerce, transmitting a report of the activities under title XII, Merchant Marine Act of 1936, as amended, as of March 31, 1959, to provide war-risk insurance and certain marine and liability insurance for the American public in accordance with section 1211 of this act; to the Committee on Merchant Marine and Fisheries.

910. A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation entitled, "A bill to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes"; to the Committee on Interior and Insular Affairs.

911. A communication from the President of the United States, transmitting preliminary conclusions of the President's Committee to Study the U.S. Military Assistance Program; to the Committee on Foreign Affairs.

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. LANE: Committee on the Judiciary. H.R. 6000. A bill to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000; with amendment (Rept. No. 323). Referred to the Committee of the Whole House on the State of the Union.

Mr. CAHILL: Committee on the Judiciary. H.R. 322. A bill for the relief of Monmouth County, N.J.; with amendment (Rept. No. 324). Referred to the Committee of the Whole House on the State of the Union.

Mr. LINDSAY: Committee on the Judiciary. H.R. 2740. A bill to amend section 2734 of title 10, United States Code, to extend the statute of limitations in the case of certain foreign claims; without amendment (Rept. No. 325). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 326. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. DURHAM: Joint Committee on Atomic Energy. H.R. 5104. A bill to amend the Atomic Energy Act of 1954, as amended; without amendment (Rept. No. 327). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. H.R. 5105. A bill to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 328). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of Committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 381. An act for the relief of Peter E. Dietrich; without amendment (Rept. No. 310). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 607. An act for the relief of the estate of Sinclair G. Stanley; with amendment (Rept. No. 311). Referred to the Commitee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 667. An act for the relief of Pauline D. Kimbrough; with amendment (Rept. No. 312). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 947. An act for the relief of the estate of Verentes Bent, deceased; with amendment (Rept. No. 313). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 1547. A bill for the relief of T. Sgt. Walter Casey; with amendment (Rept. No. 314). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1579. A bill for the relief of Basile Ignatios Mavridis; with amendment (Rept. No. 315). Referred to the Committee of the Whole House.

Mr. LINDSAY: Committee on the Judiciary. H.R. 1711. A bill for the relief of the Galveston, Houston & Henderson Railroad Co.; without amendment (Rept. No. 316). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H.R. 2011. A bill for the relief of Leonora Holmes Mola; without amendment (Rept. No. 317). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 2078. A bill for the relief of Gannon Boggs; with amendment (Rept. No. 318). Referred to the Committee of the Whole House.

Mr. LINDSAY: Committee on the Judiciary. H.R. 2290. A bill for the relief of Ronald Ragnar Long; without amendment (Rept. No. 319). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H.R. 3096. A bill for the relief of Peony Park, Inc., and others; with amendment (Rept. No. 320). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H.R. 4120. A bill for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service; without amendment (Rept. No. 321). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6080. A bill for the relief of Forrest E. Decker; without amendment (Rept. No. 322). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Michigan:

H.R. 6770. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H.R. 6771. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY (by request):

H.R. 6772. A bill to increase annuities payable to certain annuitants from the District

of Columbia teachers' retirement and annuity fund; to the Committee on the District of Columbia.

H.R. 6773. A bill to empower the Real Estate Commission of the District of Columbia to suspend or to revoke the license issued to any person by the said Commission for certain activities by the licensee, and to empower said Commission to investigate said charges; to the Committee on the District of Columbia.

By Mr. HARRIS:

H.R. 6774. A bill to amend the Communications Act of 1934, the Federal Aviation Act of 1958 (with respect to the Civil Aeronautics Board), the Federal Power Act, the Federal Trade Commission Act, the Interstate Commerce Act, and the Securities Exchange Act of 1934, to establish standards of conduct for agency hearing proceedings of record; to the Committee on Interstate and Foreign Commerce.

By Mrs. KEE:

H.R. 6775. A bill granting the consent and approval of Congress to the States of West Virginia and Virginia to enter into a compact with respect to the boundary between such States; to the Committee on the Judiciary.

By Mr. LOSER:

H.R. 6776. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. O'BRIEN of Illinois:

H.R. 6777. A bill to amend section 421 of the Internal Revenue Code of 1954 with respect to the income tax treatment of certain stock held at death; to the Committee on Ways and Means.

By Mr. POFF:

H.R. 6778. A bill granting the consent and approval of Congress to the States of West Virginia and Virginia to enter into a compact with respect to the boundary between such States; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H.R. 6779. A bill to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 6780. A bill to amend the Communist Control Act of 1954 to prohibit interference by certain persons with the free movement of defense materials in foreign commerce, and for other purposes; to the Committee on Un-American Activities.

By Mr. BYRNE of Pennsylvania:

H.R. 6781. A bill to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historic Park; to the Committee on Interior and Insular Affairs.

By Mr. CRAMER:

H.R. 6782. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. FLYNN:

H.R. 6783. A bill to amend section 503 of title 38, United States Code, to provide that social security benefits shall not be counted as income in determining eligibility for pension; to the Committee on Veterans' Affairs.

H.R. 6784. A bill to provide for mandatory price support through the marketing year ending in 1964 for milk used in manufacturing dairy products and for butterfat; to maintain the productive capacity of our dairy farming industry; to promote the orderly marketing of an adequate national supply of milk and dairy products; to encourage increased domestic consumption of dairy products in the interests of national health and security; and for other purposes; to the Committee on Agriculture.

By Mr. FRAZIER:

H.R. 6785. A bill to amend section 4071 of the Internal Revenue Code of 1954 so as to fix a tax of 1 cent per pound of certain laminated tires produced from used tires; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 6786. A bill to authorize the modification of the flood-control project for the Saline River and tributaries, Illinois; to the Committee on Public Works.

By Mr. KNOX:

H.R. 6787. A bill authorizing the improvement of the Menominee Harbor, Mich., and Wis., in the interest of navigation and other purposes; to the Committee on Public Works.

H.R. 6788. A bill to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 6789. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NORBLAD:

H.R. 6790. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Confederated Tribe of Siletz Indians in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN of New York:

H.R. 6791. A bill to provide that the people of Guam be represented by a Delegate in the House of Representatives of the United States; to the Committee on Interior and Insular Affairs.

By Mr. ROBISON:

H.R. 6792. A bill to amend section 1034 of the Internal Revenue Code of 1954 to provide that under certain circumstances gain on the sale or exchange of the taxpayer's home will not be taxed whether or not he replaces it with another residence; to the Committee on Ways and Means.

By Mr. ROGERS of Texas:

H.R. 6793. A bill to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; to the Committee on Agriculture.

By Mr. SAUND:

H.R. 6794. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. TELLER:

H.R. 6795. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

H.R. 6796. A bill to repeal the excise tax on the use of safe-deposit boxes; to the Committee on Ways and Means.

By Mr. HOLT:

H.R. 6797. A bill to amend section 4(a) of the act of September 11, 1957, so as to permit the issuance of special nonquota immigrant visas to certain alien orphans adopted by citizens of the United States for an additional 2 years; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 6798. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. TEAGUE of California:

H.R. 6799. A bill to amend chapter 53 of title 10, United States Code, to provide for the payment from retired pay of payments required by court orders where a member of the Armed Forces deserts or divorces his spouse; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.J. Res. 355. Joint resolution relating to U.S. diplomatic relations with Republics of Ukraine and Byelorussia; to the Committee on Foreign Affairs.

By Mr. FULTON:

H.J. Res. 356. Joint resolution authorizing the President to proclaim the week in May of each year in which falls the third Friday of that month as National Transportation Week; to the Committee on the Judiciary.

By Mr. IRWIN:

H.J. Res. 357. Joint resolution designating the mountain laurel as the national flower of the United States; to the Committee on House Administration.

By Mr. BERRY:

H. Con. Res. 165. Concurrent resolution relating to the subject of Federal policy in the field of American Indian affairs; to the Committee on Interior and Insular Affairs.

By Mr. VINSON:

H. Con. Res. 166. Concurrent resolution providing the express approval of the Congress under section 3(e) of the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished gem-quality diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H. Con. Res. 167. Concurrent resolution to establish a Joint Congressional Committee on Salary Adjustment; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H.R. 6800. A bill for the relief of Antonio and Nicolino Santoro; to the Committee on the Judiciary.

H.R. 6801. A bill for the relief of Harry (Zwi) Goldenberg (Sponder); to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H.R. 6802. A bill for the relief of 16 customs inspectors employed at the port of Honolulu, T.H., from liability for certain amounts paid and demand for refund thereof; to the Committee on the Judiciary.

H.R. 6803. A bill for the relief of Dr. Hans Zimmerman; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H.R. 6804. A bill for the relief of Mary Elizabeth Tighe Crespo; to the Committee on the Judiciary.

By Mr. FLYNN:

H.R. 6805. A bill for the relief of Gilberto Dario Gagliani and his wife, Albertina Schiaffina Gagliani; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H.R. 6806. A bill for the relief of Edward L. Smack; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 6807. A bill for the relief of William Falby; to the Committee on the Judiciary.

H.R. 6808. A bill for the relief of Mary O'Brien Smith; to the Committee on the Judiciary.

By Mr. KITCHIN:

H.R. 6809. A bill for the relief of Lt. (j.g.) James W. Little; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 6810. A bill for the relief of Anthony P. Bushman; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 6811. A bill for the relief of Manhattan Lighting Equipment Co., Inc.; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 6812. A bill for the relief of Moshe Uziel; to the Committee on the Judiciary.

H.R. 6813. A bill for the relief of Antonio Cascione; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 6814. A bill for the relief of Mrs. Angelina Augusta Fernandes Gorgulho; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII:

170. The SPEAKER presented a petition of Eugenio C. Nicolas, Nicolas Estates, Inc., Manila, Philippines, relative to supplemental information in connection with war damages claims made by the Nicolas Estates, Inc., which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Extra Long Staple Cotton

EXTENSION OF REMARKS
OF
HON. BASIL L. WHITENER
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. WHITENER. Mr. Speaker, on April 28, 1959, I appeared before the U.S. Tariff Commission in connection with the investigation now being conducted by that agency in regard to the importation of extra long staple cotton.

Several of the New England States, as well as the southern textile manufacturing States, are vitally interested in this matter. Under leave to extend my remarks, I include my statement before the Tariff Commission in the RECORD:

STATEMENT OF HON. BASIL L. WHITENER BEFORE THE U.S. TARIFF COMMISSION ON APRIL 28, 1959, REGARDING EXTRA LONG STAPLE COTTON QUOTA

Mr. Chairman and members of the Commission, my name is BASIL L. WHITENER, Member of Congress from the 11th Congressional District of North Carolina. I am appearing before you to voice my strong opposition to any action that might be taken to reduce our present import quota on extra long staple cotton.

I have the honor and privilege to represent in the Congress a district that contains more operating textile plants than any other district in the United States. Thousands of my constituents earn their living in these mills. In addition, my constituents have millions of dollars invested in textile plants and machinery

The manufacture of textiles is vital to the economy and well-being of my district and to the State of North Carolina. If the cotton mills in North Carolina were to cease operation today there would be widespread suffering and economic distress throughout the State. It would result in economic disaster for our people.

Over 227,000 North Carolinians are employed in textile mills. This represents more than half of all persons enployed in manufacturing in North Carolina.

It is generally recognized by those who are familiar with the day-to-day problems of textile manufacturing that the industry is fighting for survival, not only in North Carolina but in other parts of the South and New England. The industry is suffering from inroads being made by foreign textile imports and an unrealistic international trade policy on the part of the Federal Government.

Aside from tariffs and other foreign trade complications, the industry is confronted with numerous other handicaps which affect business substantially but over which it has little or no control. As an example, I might point out that so long as foreign mills can buy American cotton cheaper than American mills and have their machinery and plants financed, in large part, with American dollars, our domestic textile industry will remain in a depressed condition.

I have pointed these factors out in order that we might have a background against which to view the problem before us this morning.

The Presidential proclamation of July 7, 1958, established an import quota on cotton beginning August 1, 1959. From all that I have been able to learn the quota, as originally set up, was generally approved by all of those in the cotton textile trade.

Operating conditions within the textile industry make it almost mandatory that contracts for cotton purchases be made months, and in some cases even a year, in advance of the date the cotton is to be used. In an industry that uses millions of bales of cotton and whose contracts for the sale of finished products must be made well in advance of the manufacturing date, it is apparent that considerable time must be allowed between the purchase and delivery dates of raw cotton.

The information I have indicates that the textile mills in my district, and I am sure the same situation prevails in other parts of the country where mills are located, acted under the Presidential proclamation of July 7, 1958, and purchased considerable amounts of foreign extra long staple cotton. A large part of this cotton was purchased during October, November, and December of last year and during January of this year.

In anticipation of the delivery of the cotton, mills have entered into contracts for the future sale of textile products. It will be apparent, therefore, to everyone that any quota reduction at the present time will bring about a serious condition for the mills and result in economic hardship for all concerned.

One of the most prominent textile manufacturers in my district informed me recently that he has purchased 1,500 bales of foreign extra long staple cotton against which he already has sold goods. It was his opinion, and I certainly share it, that if the quota already approved by the administration can be repudiated in part it will be, in effect, a repudiation of people like himself holding contracts.

A number of other textile manufacturers advised me to the same effect. In nearly every instance they already have sold textile products against the foreign cotton bought under present quota conditions. There is a feeling that if the quota is reduced it will mean a loss of confidence in Presidential proclamations on the part of the public in general and the business world in particular.

The textile industry, caught as it is between the squeeze of dwindling profits and soaring manufacturing costs, should be permitted to purchase cotton in foreign markets under reasonable and realistic quotas. At least, the industry should not be subjected to the uncertainty involved in arbitrary quota reductions.

We hear so much in Congress these days from responsible Government sources how vital it is to the economy of the United States that we engage in foreign trade, especially with the underdeveloped and highly sensitive nations of north Africa and South America. I cannot understand how it would be in the best interests of the United States to antagonize Peru, the Sudan, and Egypt by further reducing the importation of cotton from these countries.

These nations desperately need American dollars to bolster their economies. We should be anxious to supply these dollars through the accepted avenues of commerce rather than through some of our more unrealistic programs of foreign aid.

The matter before this Commission has far-reaching implications to the people of North Carolina and the textile industry in general. It is my hope that the Tariff Commission will take into consideration and give very careful study to all the statements that will be presented by officials of the textile industry and the cotton trade.

A number of the people who will present these statements are from my congressional district. They are responsible and successful manufacturers and cottonmen and have many years of experience in the textile industry. They are familiar with the conditions confronting their industry and are dedicated American citizens.

I know the information they will give to this Commission will represent their very best judgment of the matter under consideration, and their recommendations deserve the most careful study, as I believe they are the best qualified people in the country with respect to textile problems.

In conclusion I would like to impress upon the Commission the great importance of the matter before us to the economy of my district and North Carolina. It is my hope that the Commission will make no recommendations to the President calling for a reduction in the present import quota of extra long staple cotton.

Testimony of Hon. Chester Bowles, Member of Congress, Before Subcommittee on Public Works of the House Appropriations Committee, April 28, 1959

EXTENSION OF REMARKS
OF
HON. CHESTER BOWLES
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. BOWLES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my testimony given yesterday before the Subcommittee on Public Works of the House Appropriations Committee concerning several projects of vital significance to my district. My testimony follows:

TESTIMONY OF HON. CHESTER BOWLES, MEMBER OF CONGRESS, BEFORE SUBCOMMITTEE ON PUBLIC WORKS OF THE HOUSE APPROPRIATIONS COMMITTEE, APRIL 28, 1959

First of all, I would like to thank the committee for this opportunity to appear in connection with several navigation and flood-

control projects of special importance to eastern Connecticut.

There are three navigation study projects which have been authorized by Congress and are now awaiting appropriations in order for surveys to begin. I would like to call these to the committee's attention at this time.

1. The first navigation study, at an estimated cost of $10,000, involves the Poquonnock River at Groton. The problem here is one of shoaling. Over a period of years the mouth of the river has filled in to such an extent that it is difficult to enter the river even with a small boat. As a result, the recreational development of the shoreline in the area has been curtailed, and commercial use of the river has been prevented. The opening of the river mouth, in addition to providing a new area of recreational navigation, would also supplement the attraction of a projected State park to be located in this area.

2. The second navigation study, at an estimated cost of $9,500, involves the Thames River between Norwich and New London. This study would determine the feasibility of providing greater depths in the harbor for commercial navigation. In 1957 commercial river traffic amounted to nearly 1,000,000 tons, 96% of which was in coal, petroleum and allied products. If greater depth were provided in the harbor and channel, larger and more efficient fuel transport could be utilized.

3. The third navigation study, at an estimated cost of $7,500, involves the Connecticut River mouth at Essex. The problem here is again one of shoaling. Since the original establishment of the ship channel in the Connecticut River in the early 1930's, constant shoaling of the western shore near my home town of Essex has taken place. The problem now is of immediate concern to the people of Essex, since action on requests to the State for construction of new docks and wharves is being held up pending agreement on a specific plan to correct the deteriorating navigational conditions. In time, the shoaling condition at Essex will affect all river commerce on the Connecticut River. The study of the situation at Essex, if approved and funded, will permit the Corps of Engineers to indicate the basic needs of future navigation in this area.

Mr. Chairman, I urge this committee to include funds for these three study projects as an investment in the commercial and recreational navigation in Eastern Connecticut. According to the Corps of Engineers estimates, the total cost of the three projects is a modest $27,000. These studies are worth it, many times over, in terms of their probable impact on the continued economic growth of this area.

Let us move on, Mr. Chairman, to my second subject—flood control. No one who witnessed the terrible devastation in Connecticut wrought by the tragic floods of August and October 1955, will deny that our Connecticut citizens are entitled to swift completion of the necessary safeguards against any possible repetition of these disasters. Quite frankly, Mr. Chairman, I had hoped that action would have been taken in sufficient time by the Corps of Engineers so that the matter of actual appropriations for flood control dams at Baltic and at West Thompson would be squarely before this committee at this time. Unfortunately, this is not the case. I would like to go on record once more, this time before this committee, on the urgent necessity for these two critically needed flood-control projects. Understandably, I think, the people whose homes and businesses were swept away in 1955 cannot understand the long delay in providing adequate protection against a recurrence of this catastrophe. They feel, and I agree, that 3½ years is long enough to wait.

My distinguished colleague from Massachusetts, Mr. PHILBIN, who spoke to you yesterday on the need for the Westville Dam, has my wholehearted support for that project, as well. Here is another example of discouraging delays in a badly needed project.

The Westville Dam, a key link in an integrated system of flood control for the Quinebaug and French River Valleys in Connecticut and Massachusetts, was originally planned in 1945—14 years ago. Now funds for its construction are denied by the administration on the basis that it is new construction.

Mr. Chairman, to deny funds for the contruction of flood control dams at Baltic, West Thompson and Westville is to deny the citizens of eastern Connecticut and Massachusetts adequate flood protection from the only source capable of providing it—the Federal Government. The economy of our region has never fully recovered from the disastrous floods of 1955, with the $581 million in property damage. The loss of 107 lives is irreplaceable. Another such calamity would be catastrophic. I urge the committee to pursue, with every appropriate means at its disposal, the reasons for the redtape, the delays and the administrative technicalities holding up an integrated flood control system for this area. The people of eastern Connecticut and their neighbors clearly need and deserve prompt, constructive action on these projects.

Finally, Mr. Chairman, the last matter I would like to call to the committee's attention is one of hurricane protection.

On April 2, 1959, the Corps of Engineers published an interim report of a hurricane survey of the Pawcatuck River area. This report, now being studied by the appropriate State agencies and the Department of the Interior prior to submission to the Congress, recommends improvements for the prevention of hurricane damages in the Pawcatuck area.

Since 1770, 58 hurricanes have struck this area, 30 of them causing tidal flooding. Studies of the Corps of Engineers indicate that if a repetition of the maximum hurricane tide of 1938 were to occur under present conditions, the resulting damage to the area would amount to $2.6 million. While this project is not now before this committee, there is hope that the final report will be transmitted to the Congress before the end of the session.

The estimated cost to the Government of this project is $409,000. I would like the committee to know of my firm belief in the necessity for this project. I have asked the appropriate State and Federal agencies for speedy action in transmitting this project to the Congress for action, and I would appreciate an opportunity to appear in support of the project when hearings are held on the appropriation for it.

One Hundred and Thirty-seventh Anniversary of the Birth of Gen. Ulysses S. Grant

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1959

Mr. SCHWENGEL. Mr. Speaker, on Monday, the 27th, at 12 it was my pleasure and honor to attend the memorial observance commemorating the 137th anniversary of the birth of Gen. Ulysses S. Grant at the Grant Memorial, First Street and the Mall, Washington, D.C.

This program was sponsored by the Ladies of the Grand Army of the Republic, the Lincoln Group of the District of Columbia, and friends. It was our honor to have on the platform the grandson of Gen. U. S. Grant, Maj. Gen. U. S. Grant III, and Madam Julia Cantacuzene, the granddaughter of Gen. U. S. Grant; and in addition, the granddaughter of Madame Julia Cantacuzene who is a visitor from England and a guest in the homes of Madam Cantacuzene and Gen. U. S. Grant III. Also present were Mrs. Eloise Whitmer, president, the Ladies of the Grand Army of the Republic, and Mrs. Anna Hausman, national registrar of the Ladies of the Grand Army of the Republic, and chairman of the program.

In addition there were leaders and representatives of several patriotic and veterans' groups present. The committee arranged to have the U.S. Army Band, under the direction of Major Curry, present and they presented an excellent program of appropriate music.

The master of ceremonies of the occasion was Col. Randle Bond Truett, Chief, National Memorials and Historic Sites, National Capital Park Service. He presented the Dr. C. Percy Powell, Research Director, the Lincoln Sesquicentennial Commission, who gave a very appropriate invocation. The pledge of allegiance was led by Mrs. Martha Purchase, Dept. Pat. Inst., Ladies of the Grand Army of the Republic.

Maj. Gen. U. S. Grant III spoke briefly and made some very suitable observations about the occasion. Then, speaking as president of the Lincoln group, he extended greetings and best wishes of that organization. A very appropriate and erudite address was given by Comdr. John E. Allen, Assistant Director of the Lincoln Sesquicentennial Commission. His subject was "The Determination and Will Power of Ulysses Simpson Grant."

Among things he stated so well he pointed out that Ulysses Simpson Grant's great opportunity came after the outbreak of the Civil War. On June 17, 1861, the War Department in Washington appointed him colonel of the 21st Illinois. His advancement to higher rank was natural in view of his military ability. His efforts, which were marked by dogged determination and strong willpower, had become evident and recognized by the summer of 1863 when Vicksburg was captured. His utilization of techniques of joint operations was successfully demonstrated. Naval forces, when required, were integrated with the usual assault forces, and certain of General Grant's plans of overall operations have become recognized as classic examples of joint planning. His will to win, by concentrating on dividing and destroying opposing forces, became a hallmark of his genius. He may be said, also, to have been a pioneer in the successful development of overall strategy in extensive military campaigns.

General Grant was accused of being taciturn or not given to extended conversations. It is noted, however, that

President Lincoln had insisted that he was looking for winning generals; that in his view too much talk and too little action had occurred in certain instances. Of General Grant, Lincoln said, "I can't spare him, he fights." Throughout a series of victories which were to occur in the eastern theater, Grant's plan and strategy—in which he was supported by President Lincoln—was often to attack, when others might not have done so. Fortunate it is that he was doggedly determined to obtain victory in the cause of preservation of the American Union.

It is worthy of emphasis that General Grant as 18th President of the United States was twice chosen to lead the Nation in the highest office in the land. It was said of him during his Presidency that he unreasonably favored his friends. The facts do show that he was intensely loyal to his friends, to those who had worked with him and supported him over the years. In July 1849 Abraham Lincoln wrote that—

The better part of one's life consists of his friendships.

Are we to deny that General Grant was faithful to his friends? I would not deny that, but I believe that you may agree with Lincoln's estimate of the value of one's friendships.

As President, Ulysses S. Grant's tenure extended from March 4, 1869, to March 4, 1877. One of his notable achievements was in the field of foreign affairs; it was in 1871 that he settled the controversy with Great Britain by the Treaty of London. He was ably assisted in that endeavor by his Secretary of State, Hon. Hamilton Fish, of New York. In June 1885 he moved to Mount McGregor, near Saratoga, N.Y. After completing the writing of his memoirs—they are recognized as a historical classic—he died July 23. He was with highest honors buried in the Grant Mausoleum, built by public donations, located on Riverside Drive in New York City.

What were the attributes that enabled this good and great man to achieve tremendous goals? It is my conviction that his dogged determination and strong willpower enabled him to achieve the very highest of aspirations.

Mr. Speaker, I recall how great was what President Lincoln once said of Grant:

When Grant once gets possession of a place he holds on to it as if he had inherited it.

Then in a telegram to General Grant, Lincoln said:

I have seen your dispatch expressing your unwillingness to break your hold where you are. Neither am I willing. Hold on with a bulldog grip and chew and choke as much as possible.

Mr. Speaker, this indicates President Lincoln's attitude about Grant. History, of course, records that he was very satisfied with Grant. He had finally found a leader who would fight and had the determination and earnest desire to win and whenever possible he has indicated in the quote above, he encouraged his dogged determination and desire to win. It could well be said just as these were excellent characteristics in that hour of crisis, they are still good for Americans today and let us learn from this example, let us hold on to those great ideals we are pleased to call American and let us do our part individually and collectively to share these ideals with other freedom-loving people and encourage them in their fight to obtain the goals of liberty, freedom, and equality that our forefathers knew so well.

Thank you for your kind and thoughtful attention.

Promoting Industrial Uses of Corn Products

EXTENSION OF REMARKS
OF
HON. CHARLES B. HOEVEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. HOEVEN. Mr. Speaker, as my colleagues all know, corn is grown in every State in the Union. Approximately 85 million acres or a fifth of the cropland is devoted to the production of corn. The value of the crop is almost $5 billion per year. Corn is grown on about 4 million farms or about two-thirds of all farms in the United States.

The income from corn exceeds that of the combined value of the next two most valuable crops which are cotton and wheat. More farmers raise corn than any other crop. Corn directly and indirectly constitutes a larger part of the diet of American people than any other single agricultural crop. This includes corn consumed directly, as milled-corn products, and indirectly in the form of meat, milk, and eggs. Corn is vital to the basic economy of the United States. Whatever influences corn affects all Americans.

I wish to devote my remarks to the cornstarch research of the Department of Agriculture. This research is being carried out by the Agricultural Research Service at the Northern Utilization Research and Development Division laboratories at Peoria, Ill.

From firsthand knowledge, I can tell you that northern laboratory scientists have been working for some years on several derivatives of cornstarch with important potential industrial uses. They are enthusiastic about their work—for the simple reason they considered it to be promising research important to agriculture.

The continuing research on cornstarch came in for special attention and intensification beginning July 1, 1957. In the following year scientific teams of 30 to 35 members were assigned to this research, requiring an expenditure of about $700,000. In addition, four research contracts, totaling $180,000, were let to bring in the work of industrial scientists.

The Department has advanced this research on cornstarch by a reassignment of regular funds, and with increased allotments for such research provided by the Congress in 1958 and 1959.

They have made startling progress. They have come up with at least two cornstarch derivatives that offer considerable promise for expanding the use of corn in papermaking, and in many industrial areas.

Let me tell you about these two particular products of corn. One of them is called dialdehyde starch. The other is high-amylose starch.

Dialdehyde starch from corn not only may find a substantial market in paper manufacture, but also as a tanning agent, and in the manufacture of plastics. High-amylose starch offers several industrial prospects: As an important component of transparent packaging films, water soluble films, edible films; as a permanent finish on fabrics, and as a constituent of plastics, lacquers—and of paper.

Dialdehyde starch will be available on a semicommercial scale from one industrial company this month. Another company is not far behind in its plans for this same starch.

The first commercial scale farm production of high-amylose corn occurred last year. It has been an essential part of this research program to develop corn hybrids that contain a high percentage of amylose. Two wet corn milling companies harvested 7,000 bushels of corn containing 55 percent amylose starch. From this they have produced 200,000 pounds of high-amylose starch for industrial evaluation.

This should be good news to every one. It is just one more case that supports the Department's broad research approach to agricultural problems.

All of our citizens benefit from these kinds of results. This is the kind of research that is going to help us whip our farm surpluses.

American Bar Association Proposal To Improve Agency Proceedings

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. HARRIS. Mr. Speaker, today I introduced a bill based upon recommendations of the American Bar Association which have for their purpose to establish standards of conduct for agency hearings proceedings of record. This proposal was submited to me by the Honorable Donald C. Beelar, chairman of the special committee on Federal Administrative Practice Act of the American Bar Association.

Earlier during this session I introduced a bill, H.R. 4800, which was prepared to carry out the recommendations contained in the final report of the Legislative Oversight Subcommitee of the Committee on Interstate and Foreign Commerce submitted to the Congress on January 3, 1959. The proposal recommended by the American Bar Association deals with some but not all of the problems with which H.R. 4800 is intended to deal, and the recommendations of the American Bar Association

differ in some respect from the recommendations made by the Legislative Oversight Subcommittee as incorporated in H.R. 4800.

I have introduced the proposal of the American Bar Association in order to afford members of Congress and the American public generally, an opportunity to study the proposals of the American Bar Association and to compare them with the proposals contained in H.R. 4800.

It is my hope that by introducing this bill witnesses interested in this subject will take occasion to study and compare the two bills so that when hearings are held by this committee on both bills they will be in a better position to testify with regard to the recommendations contained in these bills.

Tribute to Rear Admiral Mumma

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. HOSMER. Mr. Speaker, Adm. A. G. Mumma's 4-year tour as Chief of the Bureau of Ships has been marked by spectacular technological advances in the design and construction of new surface combatant ships and submarines, by the development of improved electronics detection and communications equipment and by the application of effective methods of reducing costs. Four *Forrestal*-type attack aircraft carriers have joined the fleet and the nuclear-powered attack carrier *Enterprise* is taking shape on the building ways. A new fleet of atomic-powered missile-armed ships has come closer to reality. Numerous guided missile frigates and destroyers have been placed under construction. The first of these have already been launched.

The Bureau of Ships, under the guidance of Admiral Mumma, quickly designed a new type of nuclear-powered submarine to carry and launch the fleet ballistic missile, Polaris. Six Polaris submarines are now under construction and three of them are expected to be launched later this year. During the past year a project which Admiral Mumma helped to initiate and foster from the very beginning, the marriage of nuclear power with the revolutionary whale-shaped hull form of the experimental submarine *Albacore*, came into being with phenomenally successful results. The latest Navy submarine to be commissioned, *Skipjack*, is faster and more maneuverable than any other submarine ever built.

With the retirement of Admiral Mumma tomorrow, the Navy will lose an extremely capable and devoted officer. Admiral Mumma has frequently testified before Congress concerning the affairs of the Bureau of Ships. I am sure that his many friends in Congress will miss him and will wish him the best of success in his chosen field of endeavor.

Deferred Maintenance and Repair in Veterans' Administration Hospitals

EXTENSION OF REMARKS
OF
HON. ERWIN MITCHELL
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. MITCHELL. Mr. Speaker, on behalf of the Committee on Veterans' Affairs, I would like to insert in the RECORD the following report made by the Subcommittee on Hospitals to the full committee. The report cites the need for additional funds for the protection of the Government's investment of some $2.8 billion in Veterans' Administration hospital facilities and also for the comfort and welfare of our hospitalized veterans:

REPORT OF SUBCOMMITTEE ON HOSPITALS, COMMITTEE ON VETERANS' AFFAIRS

Re deferred maintenance and repair in Veterans' Administration hospitals.

Report by the Honorable JAMES A. HALEY, acting chairman of the Subcommittee on Hospitals, on hearing held April 21, 1959.

The hearing was devoted exclusively to the consideration of deferred maintenance in Veterans' Administration hospitals. In the absence of the Honorable ELIZABETH KEE, chairman of the Subcommittee on Hospitals, Mr. HALEY presided as chairman. Witnesses for the Veterans' Administration were Dr. H. B. Cupp, Deputy Director for Operations; Mr. J. B. Baker, Controller, Department of Medicine and Surgery; Mr. Glen R. Stevens, Director of Engineering.

The Veterans' Administration witnesses testified that the budget for fiscal year 1960 includes $38 million for current and deferred maintenance and repair, $3 million of this is to be earmarked for deferred maintenance items accumulating from previous years, and the remaining $35 million is for current maintenance and repair of the stations during fiscal year 1960.

Summary of deferred maintenance and repair in VA hospitals

VA consolidated list of deferred maintenance and repair compiled for fiscal year 1959 budget	$15,000,000
List reduced by VA Central Office by reclassification and elimination of items to	11,500,000
Included in fiscal year 1959 budget for deferred maintenance and repair items	3,100,000
Carryover of deferred maintenance items to fiscal year 1960	8,400,000
Included in fiscal year 1960 budget for deferred maintenance and repair items	3,100,000
Deferred maintenance and repair items to be carried over to fiscal year 1961 from fiscal year 1959	5,300,000
Deferred maintenance and repair items accumulated each year over and above appropriations for current and deferred maintenance and repair	$3–4 million
Predicted deferred maintenance and repair items at end of fiscal year 1960, if appropriation for fiscal year 1960 for deferred maintenance and repair fund is not increased	$8–9 million

It was the conclusion of the Subcommittee that the Veterans' Administration budget does not contain sufficient funds to take care of the $8 million of deferred maintenance obligation which will exist on July 1, 1959. Continuing delay in making the necessary repairs to the deferred items will result in increased costs. Unless the 1960 budget is substantially increased for deferred maintenance items, the investment of the taxpayers of $2.8 billion in Veterans' Administration hospital facilities will be further depreciated.

The subcommittee voted to make this report to the full committee with the recommendation that the chairman of the full committee present this matter to the chairman of the Subcommittee on Independent Offices of the House Appropriations Committee, recommending that an additional sum be included in the Veterans Administration appropriation for fiscal year 1960 to clean up the backlog of deferred maintenance. In the event this recommendation is not favorably received by the Independent Offices Appropriations Subcommittee, it is recommended that the chairman offer an amendment to the appropriation bill on the floor to increase the Veterans' Administration appropriation for deferred maintenance and repair items.

Monorail Transportation for Seattle's Century 21 Exposition

EXTENSION OF REMARKS
OF
HON. DON MAGNUSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. MAGNUSON. Mr. Speaker, the Seattle Transit Co. announced today that it has signed a contract with the Lockheed Aircraft Corp. to build a $5 million monorail system to serve the Century 21 Exposition in 1961. This is an historic step forward in the field of mass transportation. We are hopeful that this pilot model will prove to be the key to solving the growing problem of commuting to large metropolitan areas for work or shopping.

The first operational monorail line ever installed within a city to help solve mass transportation problems, the Seattle system will whisk exposition visitors from the downtown area to the exposition site a mile away in slightly more than 1 minute. Its radically designed aircars will carry 96 passengers at a time over the top of congested surface traffic.

An estimated 18 million persons are expected to visit the exposition during its 18-month run starting May 10, 1961. This revolutionary new transportation system will help handle this crowd. But of longer lasting importance and of interest to my colleagues is the fact that this system may be the answer to the Nation's commuting problems. I am sure my colleagues from metropolitan centers can visualize how similar systems could be used in their own areas to carry passengers from airports to business districts or from residential areas to shopping centers.

I hope that many of my colleagues will have an opportunity to visit Seattle during the Century 21 Exposition to see this

monorail in operation as well as the many scientific and cultural exhibits which are being planned.

Frederick, Md., and Fort Detrick an Example of Exceptional Civil-Military Cohesiveness

EXTENSION OF REMARKS
OF
HON. JOHN R. FOLEY
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. FOLEY. Mr. Speaker, during my recent visit to the historic and progressive city of Frederick, Md., I was extremely and pleasantly impressed with the outstanding relationship that exists between the community and the U.S. Army Chemical Corps Biological Warfare Laboratories, Fort Detrick.

Normally, I would have noticed that there might be some sort of a friendly relationship between the citizens and the civilian and military personnel of this important defense installation; however, as I talked to many of the folks in town, I became immediately aware that Fort Detrick and the Federal employees, including the military, are vitally interested and participate in all facets of community life. This to me is important. It was wonderful news, news that caused me to inquire about how such relationships came about. Usually, we hear only unfavorable news.

The answer was given to me very simply. I was told by Fort Detrick people that "we live right and tell others about it." However, it goes deeper than that—and when I learned that the Fort Detrick community relations program prefaced a Department of the Army and U.S. Civil Service pamphlet for use by all Federal agencies, I thought it might be well for the executives in our Government organizations located here in Washington to visit Fort Detrick and see how the commanding officer, Col. Donald G. Grothaus, and his assistant for information and public affairs, Mr. Joseph Schwimer, plan and execute this outstanding program. I congratulate them on their achievements.

On the other side of the fence, I found that the Frederick Chamber of Commerce and the elected and appointed officials of the county and city, work hand in hand with Fort Detrick people—who by the way, do not single themselves out as "Detrick people." They are known as Frederick people. And the two-way communications system operates in top flight fashion—that can only mean one thing—that our Federal employees in the Frederick area have assumed their civic responsibilities. Mr. Joseph F. Rhoderick, executive manager of the chamber of commerce, outlined to me just how the people at Fort Detrick help out in the community. Not only are they generous contributors and workers for all charity and civic drives or campaigns, but Mr. Rhoderick pointed out that many of the scientific and professional employees from the laboratories pitch in to assist in the scientific and technical courses presented in the county high schools. The commanding officer encourages this and only recently, two scientists substituted for science teachers who were attending a teachers' convention—at no expense to the county. The substitute teachers were given administrative leave.

Mr. Rhoderick strongly emphasized the valuable assistance he receives from the commanding officer and his assistant for public affairs in the preparation of material for use in the community, that is, information material for local consumption. Every quarter, Fort Detrick tells the people, the taxpayers, how much this installation spends within the community for local purchases and services. It amounts to more than a million dollars a year, or about 6 percent of the total operating budget of the post. This is most laudible and I again congratulate the commanding officer for his foresight and resourcefulness.

I was highly pleased when I was shown the Meritorious Civil Service Award which the Frederick Chamber of Commerce was given by the U.S. Civil Service Commission in January, for outstanding cooperation with Federal employees. This award as made as the Commission was concluding its Diamond Jubilee observance, and unless my information is incorrect, the Frederick Chamber of Commerce became the first such organization to be so recognized. I congratulate Mr. Rhoderick and the chamber of commerce for developing this warmth of climate.

It is my pleasure to insert in the CONGRESSIONAL RECORD two congratulatory letters, one sent to the Frederick Chamber of Commerce by the Secretary of the Army, the Honorable Wilber M. Brucker, and the other to the Chief Chemical Officer, Department of the Army, by Maj. Gen. H. P. Storke, Chief of Public Information, Department of the Army. In each instance, the diamond anniversary award by the U.S. Civil Service Commission to the Frederick Chamber of Commerce, was cited as another example of the continuing excellent relationship existing between the chamber and the people of Fort Detrick—in fact, this was the basis of the award. I know the letters are self-explanatory and submit them herewith:

FEBRUARY 11, 1959.

Mr. JAMES H. GROVE, Jr.,
President, the Frederick Chamber of Commerce, Winchester Hall, Frederick, Md.

DEAR MR. GROVE: It is gratifying to have the word that the Frederick Chamber of Commerce has been awarded the U.S. Civil Service Commission's Diamond Anniversary Meritorious Award. I hasten to express to you and your entire membership my personal congratulations, and those of the members of the U.S. Army.

I am especially proud that the fine relationship between the citizens of Frederick and the Army people at Fort Detrick—as exemplified in the Detrick Appreciation Week of October 1956 and the Diamond Jubilee length of service ceremony of August 1958—afforded the warmth of climate prerequisite to the Civil Service Commission's bestowal of the honor.

At the same time, we particularly appreciate the modesty and thoughtfulness of Mr. Lemuel D. Keller, your retiring president, and Mr. Joseph F. Rhoderick, your executive manager, in graciously deferring to Fort Detrick civilians and military as indispensable partners without whom this distinction could not have been achieved.

I well remember my luncheon with Mr. Keller and Mr. Rhoderick and the members of your official family at the Pentagon in March 1957, and was delighted to confer on the Frederick community the Army's certificate of appreciation. Thus, I am additionally indebted to these spokesmen for their complimentary recollections of this event during the course of your recent anniversary dinner.

Sincerely,

WILBER M. BRUCKER,
Secretary of the Army.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF
OF PUBLIC INFORMATION,
Washington, D.C., February 5, 1959.

Memorandum for the Chief Chemical Officer.
Subject: Diamond Anniversary Award, Frederick, Md.

1. On January 29, the U.S. Civil Service Commission conferred its Diamond Anniversary Meritorious Award on the chamber of commerce of Frederick, Md. Attended by a large assembly of notables and guests and widely publicized through press and radio media, the ceremony focused much attention on a deserving community and its business and official leadership.

2. I am very impressed by the fact that the Civil Service Commission cited the excellent relationship between the chamber and the people of Fort Detrick as a basis for the award. Further, I am told the recipients repeatedly acknowledged the civilian and military of Detrick as their coworkers and partners in achieving the distinction. Whatever the criteria, great credit was reflected on the Army for its official participation in chamber of commerce sponsored Fort Detrick Appreciation Week of October 1956, and the joint Frederick-Detrick-Civil Service Commission Diamond Jubilee ceremonies of August 1958.

3. I am mindful, in this connection, of those on the military side of the fence in Frederick whose efforts have brought about such a warmth of climate and mutual understanding, notably Col. Donald G. Grothaus, the Fort Detrick commander, and his special assistant for public affairs, Mr. Joseph Schwimer. These men are obviously working as a team in rounding out a splendid community-relations balance sheet and recent events in Frederick bespeak their many accomplishments.

4. The Secretary of the Army is expressing his congratulations on the meritorious award in a letter to officials of the Frederick Chamber of Commerce. May I, in turn, express our own compliments to Colonel Grothaus, Mr. Schwimer, and all of the personnel at Fort Detrick. They are doing a fine job in many different ways and they deserve the Army's sincere appreciation.

H. P. STORKE,
Major General, GS, Chief of Public Information.

St. Elizabeths Hospital

EXTENSION OF REMARKS
OF
HON. STUYVESANT WAINWRIGHT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. WAINWRIGHT. Mr. Speaker, I have introduced today a bill drafted by the Department of Health, Education,

and Welfare "to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes."

This bill is similar to H.R. 9416, which was submitted to the 85th Congress in August 1957 in order to meet a long-standing problem concerning the furnishing of quarters, subsistence, and other items of maintenance to the three top officials of St. Elizabeths, and to provide them with salaries which more realistically reflect their professional status and their responsibilities.

In his letter of transmittal accompanying the bill, the Secretary of Health, Education, and Welfare Arthur S. Flemming, describes the need for this legislation as urgent. As he points out:

> In the interval between submittal of this legislation to the 85th Congress and the present date, the incumbent of the position of Assistant Superintendent has retired and accepted a more lucrative position outside the Government. In addition, the incumbent of the first assistant physician's position has died and only recently been replaced by a promotion from within St. Elizabeths Hospital of a physician who is nearing retirement. This bill is an essential step in placing the Department in a position where it can hope to recruit qualified persons for these very important posts.

Oil Imports and Gravy Trains

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 29, 1959

Mr. McDOWELL. Mr. Speaker, at the time of the Executive order which restricted the importation oil by the mandatory import program, I issued a press release voicing my concern for the effect of the program upon the eastern seaboard consumers. Soon after the printing of this release, I was pleased to receive from Mr. Harry B. Hilts, secretary of the Empire State Petroleum Association, a letter with some pertinent data which vindicates my position. Mr. Hilts' letter contained an enclosure—a copy of a statement to its shareholders by American Petrofina, Inc., a Belgian controlled corporation which started operation in the U.S. market in October of 1956.

Because I feel, as does Mr. Hilts, that "the eastern seaboard consumers will be required to foot the bill involved in this gravy-train operation," I feel it necessary to bring to the attention of my colleagues, a description of my position, and the information conveyed to me supporting my stand. Consequently, I under unanimous consent, introduce the following material as an extension of remarks in the CONGRESSIONAL RECORD.

First. My press release of March 26, 1959.

Second. Mr. Hilts' letter of April 13, 1959, describing the position of the Empire State Petroleum Association which Mr. Hilts represents.

Third. A statement of March 30, 1959, issued to its stockholders by American Petrofina, Inc.

Fourth. My reply of April 17, 1959, to Mr. Hilts.

Fifth. Mr. Hilts latest communication of April 20, 1959.

McDOWELL ATTACKS PRESIDENT'S DECISION TO CUT OIL IMPORTS

Congressman HARRIS B. McDOWELL, JR. Democrat, of Delaware, in a strong indictment of President Eisenhower's move to protect large American oil corporations, made the following statement:

"We have been hearing a lot of talk lately about inflation from the administration. Prevention of inflation seems to have been the main thing on Mr. Eisenhower's mind as we have seen from his policy of a balanced budget and tight money. He has insinuated that the Democratic Congress is composed of nothing but spendthrifts and budget busters who are bent on destroying the economy by producing inflationary conditions.

"And yet, this same President has seen fit to cut the amount of oil which this country can import. This will definitely cause more inflation than any move the Congress could make if it were bent upon producing inflation, and of course, the Congress is not." McDOWELL went on, saying:

"While the President's order cuts crude oil imports about 25 percent, it slashes the import of gasoline and other refined oil products more drastically. To the ordinary consumer, this means the price of gasoline will go up since with less gasoline on the market, more money is required to buy it. It means the consumer's heating bill will become larger if he heats his home with oil or any oil product.

"To the businessman, this decision means a rise in the cost of manufacturing since he must pay a greater price for oil which he consumes in large quantities. By increasing the cost of doing business, this will increase the cost of buying every article that American business manufactures. Then too, when products of American industry must be sold at a higher price, our domestic manufacturers will be at a disadvantage on the world market since they cannot sell their products as cheaply as other nations with whom they are competing.

"We can easily see that the President's decision is totally inconsistent with his previous demand to eliminate inflationary tendencies from the economy. It is also inconsistent with the President's expressed desire to aid foreign countries and increase our prestige in the international arena. As a member of the House Foreign Affairs Committee, I am deeply concerned with the effect the oil import cut will have upon our relations with friendly producer nations. Our good trade relations with Canada essentially will be destroyed, and the damage this decision will do to our already strained relationships with South America and the Middle East will be irreparable. The economic stability of these countries, whose friendship we need so badly, depends to a great extent upon the money they receive from selling oil to the United States. The President's action can do nothing but cause a loss of friendship, and a weakening of these countries' economy, making them even more susceptible to Communist influence and infiltration. This we absolutely cannot afford.

"The President has attempted to give reasons for the decision. He stated that we must cut oil imports and develop America's ability to produce oil so that in the event of a major war, the United States would not have to depend upon foreign markets. This argument is so ill advised that it becomes ridiculous."

Congressman McDOWELL pointed to its weaknesses by stating:

"First of all by cutting off oil imports we may be increasing the American oil industry's capacity to produce more oil by increasing its employees and the size of its production plants, but along with this we are depleting the available supply of domestic oil. Secondly, the United States has sufficient oil-producing capacity right now to fight a big war. Our worry is not whether we have enough oil for war * * * we have that. The real problem is whether or not we have an adequate amount of defense to prevent a major war from starting. Thirdly, in case of a limited war, the United States would not be severed from all foreign oil sources. Oil from Canada is is piped into this country, and consequently would be free from enemy action on the high seas. Fourthly, it is true that some of our foreign sources of oil would be cut off in time of war, but, with this in mind, should we not allow at least part of America's oil to lie underground and should we not take advantage of the opportunity, which may not always be with us, to bring in oil from the Middle East and South America?"

Congressman McDOWELL went on to say: "The President's decision is harmful to every State in this Union which depends upon oil imports. This means that his decision is harmful to all but a handful of western oil-producing States. It is a devastating blow to every consumer in this country, especially those east of the Mississippi River, for both business and consumers in this area depend heavily upon imported oil.

"The only people to benefit from the President's decision are those running our large oil companies and, I might add, it is not only the Democrats who are saying that the President is looking out for the oil interests which are financially well off to start with. Senator GEORGE AIKEN, Republican, of Vermont, delivered a scorching criticism of the President's plan."

McDOWELL said, in conclusion: "Although politics is not the reason for criticism of the decision, politics can be the only reason for the President's order. It looks as if there is collusion between certain people in both political parties to protect the oil producers in exchange for their political support. I, for one, however, will voice my disgust when I see politics played to this extent. This decision, by annihilating a major source of oil, the lifeblood of our Nation, can do nothing but cause unjustified hardship to the consumer, weaken our defenses, and decrease our stature in the field of international relations."

EMPIRE STATE PETROLEUM
ASSOCIATION, INC.,
New York, N.Y., April 13, 1959.

The Honorable HARRIS B. McDOWELL, Jr.,
House of Representatives,
Washington, D.C.

MY DEAR MR. McDOWELL: We are enclosing herewith a copy of a letter sent recently to its shareholders by American Petrofina, Inc., a Belgian-controlled concern which began operating in the U.S. market on October 1, 1956.

We call your attention to the following quotation which we have underlined in the attached letter—

"* * * upon the basis of negotiations just concluded, should result in a substantial improvement in earnings."

Since the refineries owned by this company are located at inland sites, far removed from ports of entry used by oversea tankers, they cannot readily use imported oil in their operations. Thus, we assume that the substantial improvement referred to above will result from the sale of American Petrofina's oil imports under the quota system to refiners whose locations permit them to process imported oil.

So that you may more fully understand the gravy-train aspect of the situation referred to above, we estimate the windfall profit to this company as follows: Based on the going market price for foreign oil brought in under the quota system, when transferred from

the quota holder to another refiner in need of the oil, we assume the additional sums accruing to American Petrofina, Inc., will total between $1 and $1.5 million this year.

We have, of course, no bone to pick with American Petrofina per se. We submit their letter only as a typical illustration of how former nonimporting refiners stand to benefit from current import restrictions.

This type of transaction is legal under the quota restrictions, but is assuming all the aspects of a "black market" operation. To substantiate this, the McGraw-Hill Publishing Co.'s daily Oilgram on March 20 pointed out that this traffic will add approximately $30 million to the coffers of formerly nonimporting refiners this year, thereby creating an inflationary impact on consumer oil prices.

We call your attention to the fact that eastern seaboard consumers will be required to foot most of the bill involved in this gravy-train operation.

Sincerely,

HARRY B. HILTS,
Secretary.

AMERICAN PETROFINA, INC.,
New York, N.Y., March 30, 1959.

To the Shareholders:

The mandatory import program recently approved by President Eisenhower, and to which reference was made in the company's 1958 annual report, extends long-awaited benefits to American Petrofino, Inc.

Under the license just received from the Department of the Interior, dated March 11, 1959, the company is authorized to import 4,050 barrels of foreign crude oil per day during the initial quota period. The effect to the company of this allocation is of real significance and, upon the basis of negotiations just concluded, should result in a substantial improvement in earnings.

During 1958, refinery realizations on manufactured products were severely depressed as a result of the availability of low-cost foreign crudes and products to various authorized companies operating under the voluntary import program, as well as to others who elected to ignore the requirements of that plan.

The controls established under the mandatory program should now prevent many of the costly abuses of the past and contribute thereby to an improvement in market conditions.

The prospects for your company for the remainder of the year are brightened by the Government's action, and I thought the information would be interesting and welcome to you.

HARRY A. JACKSON, *President.*

APRIL 17, 1959.

Mr. HARRY B. HILTS
Secretary, Empire State
Petroleum Association, Inc.
New York, N.Y.

DEAR MR. HILTS: I appreciate your letter and enclosure of April 13 for it gives factual information backing my objections to the mandatory import program. Any further information of this nature, dealing particularly with the effects of this program on the eastern seaboard consumer would be most helpful to me.

It is my feeling that your letter is the type which would be extremely effective as an extension of my remarks in the CONGRESSIONAL RECORD, and I would like to introduce it with its enclosure as such. I will, however, be guided by your feelings on this proposal and I would appreciate your expressing them to me as quickly as possible.

I truly hope that I may be of assistance to you in finding a remedy to this situation.

Sincerely,

HARRIS B. MCDOWELL, Jr.,
Member of Congress.

EMPIRE STATE PETROLEUM ASSOCIATION,
NEW YORK, N.Y., *April 20, 1959.*

Hon. HARRIS B. MCDOWELL, Jr.
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MCDOWELL: Thank you for your letter of April 17 in which you acknowledge my letter to you of April 13 and its enclosure concerning our objection to the mandatory restrictions on petroleum imports.

I note your suggestion concerning the extension of this letter and its enclosure to your remarks in the CONGRESSIONAL RECORD and would be very happy to have you use my letter and its enclosure in this way.

Sincerely,

HARRY B. HILTS, *Secretary.*

Statement by Hon. Cornelius E. Gallagher, of New Jersey, in the House of Representatives, Wednesday, April, 29, 1959

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. GALLAGHER. Mr. Speaker, under leave, I would like to insert in the RECORD the testimony which I gave today before the House Judiciary Committee on my bill H.R. 4193, which would authorize compacts between States, such as New York and New Jersey, to grant uniform tax treatment of out-of-State residents employed in a State:

STATEMENT BY HON. CORNELIUS E. GALLAGHER, OF NEW JERSEY, BEFORE JUDICIARY COMMITTEE OF HOUSE OF REPRESENTATIVES, APRIL 29, 1959

Mr. Chairman and members of the committee, the district which I am privileged to represent lies just across the Hudson River from New York City. Every working day thousands of the residents of this district and many more thousands in the northern New Jersey area cross under the river into Manhattan where they are employed. A lesser number of New York residents commute from their homes in New York to jobs in New Jersey.

The income of the New Jersey residents employed in New York is taxed by that State, and taxed, it might be noted, at rates somewhat higher than are imposed on the citizens of New York. The income of the New York residents which is derived from their employment in New Jersey is not taxed. And therein lies an inequity which works an increasing economic hardship on the New Jersey residents involved.

It is important to note that this situation exists not only in the northern New Jersey and Metropolitan New York area, but in many other areas of New Jersey and in other States, where there is interstate movement of workers.

It is true that a New Jersey resident working in New York benefits from certain community services, such as police and fire protection, in the area of his employment. It may be argued that he should, in all fairness, be taxed, just as the State's own citizens are taxed, for these services. There is grave doubt, however, of the fairness of taxation of the income of an out-of-State employee at the same, or higher rates at which the citizen of the State concerned is taxed. The latter receives the full benefit of all services of his State and community on a 24-hour, 365-days-a-year basis.

The out-of-State employees, on the other hand, receive limited services, certainly nothing so extensive as the schooling of his children, for which he must pay heavily in his own State, and receives these services for only the length of a normal working day—8 hours.

I am aware that this committee is giving most serious attention to the broad aspects of the levy by one State on income earned therein by the resident of another State, and has before it for consideration several proposals. I am, certainly, in agreement with the objectives of the various proposals, for the inequity of such practice is recognized even by those States which derive benefit from it. The Governor of New York, for example, has noted that the taxation of nonresident employees is a matter to which the legislature of that State should give attention.

It is only realistic, and I am sure you will agree, that relief can hardly be expected from the governing body of a State hard-pressed for public funds, and such is the case in most States. If there is to be relief in the foreseeable future, it will come as the result of action by the Congress.

H.R. 4193, which I have introduced and which is cosponsored by other New Jersey Members of the Congress, is designed to grant the consent of the Congress to any two or more States to enter into compacts to grant uniform tax treatment of nonresidents through agreements not to discriminate between residents and nonresidents in the levy and collection of taxes. Such compacts would be subject to ratification by the States involved and approval by the Congress.

The objective of my bill is an immediate solution to the problem in a manner less difficult than seeking a constitutional amendment such as is sought in other proposals. I am confident that the passage of H.R. 4193 will spark action between New York and New Jersey leading to a compact, and that such compact would give relief to the nonresident employees of business firms in that State. This would apply not only to New Jersey residents but to those of other States. I am hopeful that such a compact might be an example for other States concerned with the problem of unfair taxation of nonresident employees.

The complex of the commerce of this Nation is such that there is bound to be an increase in instances where the residents of one State are, of necessity, employed in an adjoining State. Interstate boundaries were never intended to be barriers to employment. Should they become barriers, certainly the development of the Nation's commerce would be impeded.

The bill for which I speak today is merely an authorization for two or more States to act in this matter, to reach agreements which would resolve a tax situation which is generally agreed to be grossly unfair. I urge the favorable consideration of the committee. Thank you.

Transfer Freedmen's Hospital to Howard University

EXTENSION OF REMARKS
OF
HON. STUYVESANT WAINWRIGHT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. WAINWRIGHT. Mr. Speaker, today I have introduced a bill to transfer Freedmen's Hospital to Howard University, with provision for construction

of a new teaching hospital. I hope that Congress will give swift approval to this legislation, which will make possible the construction of urgently needed new facilities for Howard University's medical teaching program and for proper care of the patients at Freedmen's Hospital.

Action on this bill would not only help alleviate the national shortage of medical and allied personnel, it would end the anomaly of the Federal Government's operating a community hospital. It would make the hospital an integral part of the university, with the advantages of unified responsibility and control. Under private control and with new facilities, it could become progressively more self-supporting, without impairment of its teaching function.

This proposal has been drafted by the Department of Health, Education, and Welfare. It is similar to the bill which the Committee on Labor and Public Welfare of the other House reported favorably last year, but which was not acted upon in the final rush of adjournment. It includes provisions to assure continuation of equal pay and benefits to the employees who will be transferred, and gives them all the security it can without continuing them as Federal employees. I understand in addition that Howard University has recently expressed its willingness to accept and operate Freedmen's Hospital in accordance with the provisions of the bill, and has spelled out the undertakings it is prepared to incorporate in the terms of the agreement.

Statement by Hon. Isidore Dollinger, of New York, on H.R. 2526

EXTENSION OF REMARKS
OF
HON. ISIDORE DOLLINGER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. DOLLINGER. Mr. Speaker, I am including in the CONGRESSIONAL RECORD my statement to the Committee on the Judiciary in connection with my bill, H.R. 2526:

Mr. Chairman and members of the Committee on the Judiciary, on January 15, 1959, I introduced H.R. 2526, a bill to prohibit certain acts involving the importation, transportation, possession, or use of explosives with intent to destroy or damage any communal building, residence, or place of business.

The outbreak of anti-Semitic violence last fall shocked every right-thinking American. The bombings and attempted dynamitings of Hebrew congregations, temples, and centers, which occurred in Atlanta, Peoria, Miami, Nashville, Jacksonville, Charlotte, Gastonia, and Birmingham, as well as threats to numerous synagogs throughout the country were indisputable evidence of a new wave of terror and hatred directed against Jews; we have proof of a substantial increase in anti-Semitic defamation by publications promoting religious hatred. Anti-Semitic defamation and violence against Jews and Jewish property constitute a serious problem; it must have our intelligent and effective attention, and a solution must be found.

The lawlessness rampant in communities where the acts of violence took place is a symptom of the general breakdown of respect for law in those areas; lawlessness is the inevitable consequence of disrespect for law. Therefore, any approach to the problem which does not reach the root of the evil—disrespect for law—will prove of no avail. Also, remedies must be sought within the framework of constitutional limitations.

I would also point out that the number of houses-of-worship bombings in the South is a relatively small one as compared to the scores of bombings of residences and business places owned by Negroes. Therefore, any legislation which seeks to impose Federal penalties upon vandals and unlawful users of dynamite must, if it is to have any significance, include in its compass those who use dynamite against private dwellings and places of business. My bill would represent an effective, if modest, step in meeting the problem and would give some protection to all those who are victims or intended victims of bombings.

When leaders of State governments express their defiance of the U.S. Constitution, they set an example for the entire community and then members of the community feel free to show their disrespect in any way they choose. Dynamiting is one result; lynching another. The Nation was shocked and outraged by the abduction of Mack Charles Parker who was tortured and lynched. This horrible act proves that respect for law is more important than ever; it also proves that the Federal Government must act without delay to prevent such unspeakable barbarism. Local leaders cannot be trusted to protect the rights of all those within State boundaries; the American people through Congress demand that all persons in our country be assured of their rights granted by the Constitution.

My bill being considered today covers only one factor and would help eliminate only one evil. I trust your committee will take favorable action on it or similar legislation, and that you will also proceed with dispatch to vote out other bills which concern civil liberties and protection of those now discriminated against, terrorized, and deprived of their rights.

Democratic Victory in 1960

EXTENSION OF REMARKS
OF
HON. JAMES M. QUIGLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 29, 1959

Mr. QUIGLEY. Mr. Speaker, last Saturday evening the Young Men's Democratic Society of York County, Pa., held its 67th annual Jefferson-Jackson Day dinner at the Valencia Ballroom in the city of York. The speaker on this occasion was our distinguished colleague from the Fourth District of Alabama, Hon. KENNETH A. ROBERTS. It is a pleasure for me to bring to your attention the speech which Mr. Roberts delivered to his York audience:

It is a great pleasure for me to be here tonight, as I always get a high sense of pleasure in gathering with Democrats anywhere.

I feel at home with Democrats wherever I am, even though I may be in Yankee territory. I'm glad that I am here on friendly terms, because I understand that when I crossed over into York County today I also crossed over what some southerners have called the Smith & Wesson line. I think you call it the Mason-Dixon line.

It is a privilege to be in the 19th Pennsylvania District, which is served so ably by my good friend and your distinguished Congressman, the Honorable JAMES M. QUIGLEY. I could not have said that if I had come before you last year, and I know you share the pride I have in being able to salute your Democratic Congressman tonight.

There may be another reason why I feel at home here tonight. In Washington, you know things can get pretty hot sometimes. I think it should be a source of pride to you to know that when things get heated in the Capitol Building, York air conditioning is helping cool things off.

We are here tonight in a common bond, the Democratic Party.

Through a century and a half of American history, there has been a Democratic Party. And all that time our party has had one guiding principle: the ideal of government for the common man.

Ours is the oldest political party in the world. The exact date of the party's founding is not clear. But it is certain that it gained lifebreath in the fight of Thomas Jefferson for the Bill of Rights. The battle then was what it has always been for the Democratic Party: to preserve individual liberty. In that great fight which put the Democratic Party into the forefront, Thomas Jefferson declared: "A bill of rights is what the people are entitled to against every government on earth, and what no just government should refuse."

Jefferson's party first sought office opposing the aristocratic Federalists of Alexander Hamilton. Jefferson fought the party which believed that the Government could not last unless the wealthy people of the country were given preferential treatment.

Government for the benefit of the privileged few, the autocrats of privilege, has ever been the spirit of the Republican Party.

When the Eisenhower Republican administration came into power in 1953, there was great rejoicing by the men of big business, big finance, and big law. One of General Eisenhower's first actions was to take care of his rich friends. And, right off, he named to his Cabinet nine millionaires and a plumber. The plumber, needless to say, is no longer with him. Under Eisenhower, the Republican Party has run true to form. It has followed the party spirit enunciated by Alexander Hamilton. Hamilton's scheme was to create a permanent class to run the Government of those who held the wealth and capital of the country. It was built for the autocrats of privilege and there was no humanity in it.

Our great Speaker of the House, SAM RAYBURN, has often said that the Democratic Party is the party with humanity in it. Ours is the party with a heart. It was our party that created the ideal of humane government.

You know, the Democratic Party's early role in protecting the immigrant settlers almost has been forgotten. Back in the 1850's, some 600,000 European immigrants were entering this country each year. The Know-Nothing Party came into being for the sole purpose of ending this immigration. Members of the bigoted Know-Nothing movement burned churches and beat up immigrants on the streets. They ran almost unchecked until the Democratic National Convention of 1856 took a strong stand which broke the back of the Know-Nothings. The Democratic belief was put forth in a resolution which showed the common people of Europe that America welcomed them to a new life. Our western lands, then being settled, would have been of little use without people to fill them. The Democratic ideal of humane government quickened the movement that built the West.

Thomas Jefferson believed in the fullest possible life for all the people. He believed in the inherent worth of the common man. He was certain that, given the facts, the people would use the right of self-government properly.

Down through 150 years, this has been the line of the Democratic Party. Of course, we have had our ups and our downs. But there have always been men, men of good faith, young men, men ready to fight for good government.

What men we have had.

Thomas Jefferson at 33 drafting the Declaration of Independence.

James Madison at 26 the father of our Constitution.

James Monroe, who formed the basis of American foreign policy which would stand for more than a century.

Andrew Jackson, who after leading the American forces brilliantly in the Battle of New Orleans, went on to become a great President.

One of the finest assertions of basic Democratic principles on record is one delivered by Andrew Jackson while he was President. I would like to quote the words which express clearly our party's beliefs: "Every man is equally entitled to protection by law; but, when the laws undertake to add to those natural and just advantages artificial distinctions, to grant titles, gratuities and exclusive privileges, to make the rich richer and the powerful more potent, the humble members of society—the farmers, mechanics and laborers—who have neither the time nor the means to secure like favors to themselves, have a right to complain of the injustice of their government."

And from here in Pennsylvania there came a man. His name was James Buchanan. As Secretary of State, he wrote the peace treaty with Mexico. As President, he lowered the tariff, and his words on government economy still live in the Democratic 86th Congress. He said, "We ought never to forget that true public economy consists not in withholding the means necessary to accomplish important national objects, but in taking care that the money appropriated for these purposes shall be faithfully and frugally expended."

The Republican Party leadership today delights in calling the Democrats the big spenders. The Republican solution is to ignore crying domestic needs and hang onto a paper budget. They could take a great lesson from James Buchanan of Pennsylvania.

You know, that balanced budget that President Eisenhower has tossed to us in the Congress is one of the big hoaxes of the century. When you try to test the budget by comparing expenditure with revenue, it does not balance. It anticipates revenue which will not be forthcoming. When you try to test the budget by measuring it against the needs of the country, against the suffering of the unemployed, against the demands for better schools, hospitals, and housing, it is far from being a balanced budget.

It is a deficit budget. Deficit in reality and humane ideals.

The Democratic Party is and always has been the party of financial responsibility. The Democratic Party believes, as Grover Cleveland so succinctly put it, "A public office is a public trust."

In the last 4 years of Democratic Congresses, for instance, we have cut $8 billion out of the Republican President's budget. We have done it wisely, responsibly, and we have carried American progress ahead with it.

The Democratic Party has always provided leadership when the country has needed it. In time of crisis, the people historically have turned to the Democratic Party.

During World War I, America looked to Woodrow Wilson. He carried us through, and did not stop there. He devoted his life to a search for peace. Peace among men and among nations.

Woodrow Wilson was a living example of the precept of the Democratic Party which he himself enunciated with these words: "The Democratic Party, and only the Democratic Party, has carried out the policies which the progressive people of this country have desired. * * * I thank God that those who believe in America, who try to serve her people, are likely to be also what America herself from the first hoped and meant to be—the servant of mankind."

In 1929, the people of America had had Republican leadership, or lack of it, for 8 years. They were on the verge of a terrible economic crisis. And it came down like a burst bubble. The great depression. The stock market was at the bottom. There were breadlines in the streets. Thirteen million people were out of work. The Republican President gave them empty words. He said he was opposed to squandering ourselves into prosperity. He said the worst was over, and recovery was assured.

Well, you know the story. In time of crisis, the people turned to the Democratic Party for salvation. They found it in a man named Franklin Delano Roosevelt. F.D.R. told the people there was nothing to fear but fear itself. The people trusted him and he led them through.

The people grew strong under the Democrats during the next two decades. Roosevelt and Harry S. Truman guided America through a great global conflict and made us sound and prosperous.

In 1952, the Hoover years were dimmed in American memories. America thought it wanted a change. I do not have to tell you here tonight that America got a change.

We have had many changes while President Eisenhower was sometimes at the Augusta, Ga., Country Club, sometimes at Camp David, sometimes at the Burning Tree golf course, and sometimes on a fancy farm over in Adams County, Pa.

Our allies have been antagonized, our alliances weakened, our strength weakened, our world prestige undermined.

On the home front, the Republican administration gave America more changes. It gave us the worst recession since World War II, with 5 million unemployed workers, the highest prices and taxes in history, a soaring cost of living.

The great change of 1952 brought to America a rededication to the precepts of Alexander Hamilton, where the rich get richer and the poor get poorer. We have felt the pinch of the high interest rates for the benefit of the bankers and the money lenders. We have seen small business squeezed out, while Republican shoulders shrugged at the big steel and auto manufacturers, food producers and chainstores putting through price increases far out of proportion to labor wage increases. Tax cuts have been reserved for corporations and rich taxpayers.

The workers, consumers, small businessmen, and farmers were neglected while the administration shadow-boxed with inflation.

You are located here in the heart of a great agricultural region. Did you know that the Republicans have driven 4 million people off the farms in 5 years?

Under the great change of 1952, there has come about a heartless and callous slashing of programs vital to the health of the people. There have been giveaways, exploitation of natural resources, minerals, water, power, forestry, and land.

The Republican administration let the Russians get the jump on us in the space race. Down in Alabama, at Redstone Arsenal, we have the world's ablest space scientists. These scientists had a rocket ready to go long before the Russian sputnik zoomed into outer space. America could have beaten sputnik and strengthened its leadership and prestige if President Eisenhower and Charlie Wilson could have made up their minds and given Redstone Arsenal the go-ahead.

Last November, the people of America realized as never before what the great change of 1952 had brought them.

They saw that once again America is facing a time of crisis. Only this time, it is not one crisis, but multiple crises. There is the farm crisis. The arms research and development crisis. The business crisis. The unemployment crisis.

In November, the people once again showed they were ready to let the Democratic Party take over. They showed it in the only way they could. Had it been a presidential election, we would have a Democrat sitting in the White House right now.

But the people will have to wait until 1960 for that.

Last fall, they could only elect Democrats to governorships, to mayorships, to Congress. And they did it overwhelmingly. In all parts of this great land, Democrats were returned to office or sent there for the first time.

Right here in Pennsylvania, in the 19th Congressional District, after he had been on the sidelines for 2 years, you sent a Democrat back to Washington and I congratulate you for it.

Well, what did that great victory in 1958 for the Democratic Party mean? One thing it most certainly meant was that the people do not want more of what they have been getting. Tired of the weak Republican administration, they are concerned over the unanswered needs on the homefront and abroad.

In short, the people are tired of the great change. They want the Democratic Party, the responsible party, the humane party, to make their laws and to give them leadership.

We Democrats feel very strongly the burden of responsibility that has been placed upon us. In the 86th Congress, where the Democratic majority is larger than at any time in the last 20 years, we know that ours is a solemn obligation to continue to fulfill the expectations of the people who have put us there.

In the 86th Congress, we are going to continue in the spirit of the 85th Congress, which the people so loudly have endorsed.

The job has already started. The Hawaiian and Alaskan statehood bills already have passed, and we have extended unemployment benefits. We are on the verge of passing a new airport aid bill, to help us meet the growing demands of safety and necessity in the jet age. We will soon pass an omnibus housing bill, to provide homes for the homeless.

We will enact health legislation and safety legislation. We will enact labor reform legislation, and we will see that adequate funds are provided for home development and defense.

The list will be long when we are through. It will be done for the ideal of government for the common man, just as it was in the days of Thomas Jefferson. It will be done at times against heavy opposition from the Republican administration.

The voters of America will be watching the 86th Congress. They want to know that their 1958 endorsement of the Democratic Party was justified. I want to tell you that they will not be disappointed. They will be sure in 1960 that the Democratic Party is the party of responsibility.

They will be able to vote in good conscience for the Democratic presidential nominee, confident that their ballot will mean a return to responsible leadership.

America today as never before has need of the Democratic Party. She has need of its spirit of dedication and devotion. She has the need of each of you here tonight, your courage, and devotion, your determination, and vision, your faith in the future.