

faith tax waivers extended to them by foreign governments should be deemed to have paid the waived foreign taxes for the purpose of the foreign tax credit provisions of the Revenue Code. The Treasury and State Departments have been much interested in this policy, and have recommended that it be accomplished by tax treaties. While many of these underdeveloped countries are not yet committed to the Soviet bloc, they are readily susceptible to domination by the Soviet bloc if that should appear to them to be their only source of capital. We may alienate otherwise friendly nations by thwarting their efforts to attract American capital by nullifying their tax sparing program with our tax laws. A serious difficulty exists in the efforts to implement tax sparing by tax treaty. Tax sparing by tax treaty circumvents congressional authority in the field of taxation. I prefer a legislative mandate which recognizes incentive tax sparing by foreign countries as taxes paid for the purposes of the U.S. foreign tax credit. Section 6 of the bill provides such a mandate, but the Secretary of State will be authorized to certify unilaterally which foreign tax-sparing legislation will be recognized for U.S. tax purposes. Under this approach the Secretary of State will not be required to negotiate complicated and time-consuming tax treaties. He may, of course, if he deems it a wise policy, negotiate executive agreements with foreign nations in order to obtain reciprocal benefits. On many occasions, this should prove to be an extremely useful instrument in implementing the foreign policy of our country.

Since the foreign tax credit provisions were first introduced into the taxing system, there has been a need for a liberalization of the strict country by country limitation. Equality of treatment has long demanded that each taxpayer have an option to choose between the country by country limitation and an overall limitation in determining his for-

ign tax credit. I have provided for this liberalization by prescribing an alternative means of computing the maximum amount of credit which can be allowed against the U.S. tax with respect to any taxes due foreign governments. It is only in this manner that the fundamental purpose of the foreign tax credit—the prevention of double taxation of income earned abroad—can truly be achieved.

Section 7 of my bill would correct an inequity in the present law, relating to gain realized by a parent company upon the involuntary conversion of property belonging to a foreign subsidiary. Frequently, a domestic corporation must do business through a subsidiary in a country in which it is either impossible or difficult to secure adequate insurance coverage. In these instances it is a normal practice for the domestic parent corporation to insure the property of the subsidiary doing business in that country. If the property of the foreign subsidiary is destroyed, say by fire or by storm, the domestic parent is required to pay a tax at ordinary income rates on the insurance proceeds received even though it uses these proceeds to replace the lost property. This tax penalty deters investments in foreign countries where this insurance problem exists. There is no justifiable reason for denying the parent corporation the usual non-recognition of gain upon involuntary conversions of this kind.

I have been much encouraged by the response which has followed my introduction of H.R. 5. Many of you undoubtedly have other equally sound proposals that you feel should be enacted. I am sure you will all recognize that there is a real danger in trying to accomplish too much. Many groups similar to yours have evidenced a genuine interest in this matter and have displayed an understanding of the necessity for the realistic approach which I have taken in this bill. I have been informed that the public

advisory groups established by the President in the world trade area can be expected to come forward with constructive recommendation in the tax field. I would hope that these reports may be forthcoming at an early date. In any event, I am encouraged by the fact that the administration in Washington is at least interesting itself in this very vital problem.

Some of the proposals included in H.R. 5 have been discussed for years and have been recommended by careful students of the impact of Federal taxes upon private foreign investment. We have had enough study. Now is the time to put them into effect. The immediate importance of private investment in providing a sound basis for supplementing and replacing foreign economic aid calls for action at this session of Congress. The American people must be given a practical alternative to the indefinite continuation of \$1½ to \$2 billion a year in appropriation for foreign economic aid and technical development.

The most effective way to carry the message of the American way into the uncommitted countries of the free world is to make available to them private capital and business management, which this country can provide. In the long run we shall not make friends by giving handouts, and we can only teach the dynamic character of the free enterprise system by demonstrating directly how it works. This is a great cause, and I should hope that you might make it your cause.

The final decision on the future of this measure really rests with the business community—alert businessmen such as yourselves—genuinely concerned with private enterprise and with assuring that our foreign economic policy truly reflects the basic principles of our free enterprise system. You are aware of the challenges that confront us. With your support, we can reach our goal.

Thank you.

SENATE

FRIDAY, APRIL 17, 1959

(Legislative day of Wednesday, April 15, 1959)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hensel E. Hendrickson, pastor of Kensett Lutheran Parish, Kensett, Iowa, offered the following prayer:

Our Father in Heaven, help us, we beseech Thee, to be aware of Thy abiding presence. The presence that has been revealed to us by Thy Word—that Thou will seek the lost, will bind up the crippled, will strengthen the weak, will watch over the strong, and will feed Thy sheep in justice.

We thank Thee for men who, in gratitude to Thee, fervently believe that the Nation's business should not proceed without prayer to their Heavenly Father. Today, as people in our small world are looking to this Nation for leadership and for kinship, let their eyes focus first on this moment of prayer, its significance to our people, and the cost paid for its preservation.

May we learn to measure our days by the missions being accomplished to Thy glory. As we have been blessed, help us to be a blessing to others, as we seek lost, bind cripples, strengthen weak, watch

over strong, and feed Thy sheep in justice. In the name of Jesus Christ. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U. S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 17, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EUGENE J. MCCARTHY, a Senator from the State of Minnesota, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 16, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Judiciary Subcommittee of the Committee on the

District of Columbia was authorized to meet today during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

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

Mr. MANSFIELD. Mr. President, for the information of the Senate, I announce that there are no nominations on the Executive Calendar for today.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF STATE (S. Doc. No. 24)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1959 in the amount of \$500,000 for the Department of State (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FOR CERTAIN SALARIES AND EXPENSES

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes (with an accompanying paper); to the Committee on Aeronautical and Space Sciences.

STATISTICAL SUPPLEMENT OF STOCKPILE REPORT

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a statistical supplement, stockpile report to the Congress, for the period ended December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON NUMBER OF OFFICERS ASSIGNED TO PERMANENT DUTY AT THE SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, reporting, pursuant to law, that, as of March 31, 1959, there was an aggregate of 2,470 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of Government; to the Committee on Armed Services.

AMENDMENT OF SECTION 4051, INTERNAL REVENUE CODE OF 1954, RELATING TO DEFINITION OF CERTAIN TERMS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 4051 of the Internal Revenue Code of 1954 by defining the term "sold at retail" for purposes of the application of the retailers taxes imposed under chapter 31 of the Code (with an accompanying paper); to the Committee on Finance.

COMMUNICATION FROM CONGRESS OF NICARAGUA

A letter from the Assistant Secretary of State, transmitting, for the information of the Senate, a communication addressed to the Congress of the United States by the Congress of Nicaragua, relating to political affairs in Central and South America (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON COSTS OF CERTAIN NAVAL INSTALLATIONS

A letter from the Comptroller General of the United States, reporting, pursuant to law, on the annual costs of certain naval installations (with accompanying papers); to the Committee on Government Operations.

ASSISTANCE PROGRAM FOR PAKISTAN

A letter from the Acting Director, International Cooperation Administration, transmitting, for the information of the Senate, a letter from that Administration, addressed to the Comptroller General of the United States, relating to the Comptroller's report on the assistance program for Pakistan for the fiscal years 1955 through 1957 (with accompanying papers); to the Committee on Government Operations.

REPORT PRIOR TO RESTORATION OF BALANCES, FOREIGN CLAIMS SETTLEMENT COMMISSION

(A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D.C., transmitting, pursuant to law, a report prior to restoration of balances, as of March 31, 1959 (with an accompanying report); to the Committee on Government Operations.

COLBERT COLGATE HELD AND CHARLES W. SHELLHORN

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation for the relief of Colbert Colgate Held and Charles W. Shellhorn (with an accompanying paper); to the Committee on the Judiciary.

APPLICATIONS FOR WRITS OF HABEAS CORPUS BY CERTAIN PERSONS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation relating to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT, RELATING TO TIME FOR REVIEW OF ORDERS OF REFEREES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend subdivision c of section 39 of the Bankruptcy Act (11 U.S.C. 67c) so as to clarify time for review of orders of referees (with accompanying papers); to the Committee on the Judiciary.

FINANCIAL STATEMENT OF NATIONAL SAFETY COUNCIL

A letter from the Executive Vice President, National Safety Council, Chicago, Ill., transmitting, pursuant to law, a financial statement of that Council, for the year 1958 (with an accompanying statement); to the Committee on the Judiciary.

ADDITIONAL APPROPRIATIONS FOR PROJECTS IN CERTAIN RIVER BASIN PLANS

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation and other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore: A joint resolution of the Legislature of the State of Maine, relating to the equalization of retirement benefits for retired members of the Armed Forces who retired prior to June 1, 1958; to the Committee on Armed Services.

(See the above joint resolution printed in full when presented by Mrs. SMITH on April 16, 1959, p. 6082, CONGRESSIONAL RECORD.)

A resolution of the Senate of the State of California; to the Committee on Finance:

"SENATE RESOLUTION 39

"Whereas many thousands of veterans of World War I are in dire circumstances and subjected to the indignity of public charity: Now, therefore, be it

Resolved by the Senate of the State of California, That the Congress of the United States is respectfully memorialized to provide for a World War I pension, and that the senate recommends to the Congress the program approved by the legislative committee of the Veterans of World War I of the United States of America; namely, that such a pension be in the amount of \$100 a month to those veterans of World War I who have attained the age of 62 years and whose annual income is not greater than \$2,400 without dependents, or \$3,800 with dependents, excluding social security or other pensions to which the veteran has contributed; and be it further

Resolved, That the secretary of the senate is hereby directed to prepare and transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

"J. A. BEEK,

"Secretary of the Senate."

A resolution adopted by the Columbus-Phenix City-Fort Benning chapter of the Association of the U.S. Army, favoring the enactment of legislation to provide retired pay for certain members of the uniformed services; to the Committee on Armed Services.

A resolution adopted by the Executive Committee of the American Legion, Department of Pennsylvania, Harrisburg, Pa., relating to world peace; to the Committee on Foreign Relations.

A resolution adopted by the supreme lodge, Order of Sons of Italy in America, at Toronto, Canada, relating to immigration quotas; to the Committee on the Judiciary.

A resolution adopted by T. C. Carter, Post 21, American Legion, Meridian, Miss., favoring the extension of education and training benefits to all veterans who entered military service from February 1, 1955; to the Committee on Labor and Public Welfare.

A resolution adopted by the City Council of the city of Los Angeles, Calif., favoring the enactment of legislation to provide funds for the uninterrupted continuance of construction on the Interstate and Highway Defense System; to the Committee on Public Works.

A resolution adopted by the board of directors of the Pittsburgh Advertising Club, Pittsburgh, Pa., favoring the enactment of legislation which would regulate, rather than prohibit, the advertising rights of the outdoor advertising industry; to the Committee on Public Works.

A resolution adopted by the board of trustees of the town of Gallup, N. Mex., favoring the enactment of legislation to provide appropriations for road-construction work on various Indian reservations; to the Committee on Public Works.

THE LATE SENATOR WILLIAM KERR SCOTT—RESOLUTION OF GENERAL ASSEMBLY OF NORTH CAROLINA

Mr. JORDAN. Mr. President, today is the 63d anniversary of the birth of one of North Carolina's most outstanding native sons, the late William Kerr Scott, who served with distinction as Governor of our State and later as a Member of the U.S. Senate until his untimely death on April 16, 1958.

Yesterday, the General Assembly of North Carolina adopted a resolution honoring the memory of Senator Scott.

On behalf of my colleague, the senior Senator from North Carolina [Mr. ERVIN] and myself, I ask unanimous consent to have printed in the body of the RECORD the text of that resolution, which was drafted by Senator Scott's longtime friend, the Honorable Edwin S. Lanier, the senator from the 16th senatorial district of the State of North Carolina.

There being no objection, the resolution was ordered to lie on the table, and, under the rule, ordered to be printed in the RECORD, as follows:

A JOINT RESOLUTION OF RESPECT TO THE MEMORY OF THE HONORABLE WILLIAM KERR SCOTT, LATE A U.S. SENATOR FOR THE STATE OF NORTH CAROLINA

Whereas a year ago today, a day when the whole land and the skies above were filled with beauty and the new hopes of spring-time, the people of North Carolina were shocked and saddened. Word was flashed throughout this State and across the country: "Kerr Scott is dead."

The Members of the U.S. Senate adjourned at once for the day in sorrow and respect for their deceased colleague. All the people in North Carolina, saddened that this man was dead, began to contemplate the brevity of mortal life and to weigh their numerous and lasting debts to this unique man of the soil of Alamance County.

This rugged, granitelike, determined, humorous man—so calm and "old shoe" in his outward manner, yet so dynamic in his energetic spirit—had answered with imagination, vision, and vigor many calls to duty during nearly 40 years of devoted service to the people of North Carolina.

A year ago today, in the later afternoon, from his bed in the Alamance County General Hospital where he had been resting his tired heart, the Squire of Haw River said to "Miss Mary," his devoted and faithful wife, "Tomorrow, you know, will be my 62d birthday. I want you to make 'em let me have some ice cream, a piece of cake, and a chaw of tobacco."

A few minutes later, Kerr Scott—farmer and public servant—always plowing his furrows deep and straight, every trying to help build a better North Carolina, and constantly needing the people of this State with his powerful challenge, "Let's go forward," came quietly to the end of his earthly row.

Throughout his life he was faithful in the worship services of the Hawfields Presbyterian Church of Route 1, Mebane, N.C. He upheld its program of community and social services.

He often said the eternal truth of the New Testament is that men and women should do unto others as they would have others do unto them. His philosophy of life and of government was based on his conviction that what is bad for any large segment of the people is bad for all the people. The first farmer in a hundred years to be elected Governor of North Carolina, he was a daring, progressive leader; an honest and forthright servant of the people; a bulder; a demo-

cratic Democrat; a fighter for the welfare of the common man; and a true representative of the democratic ideals of Jefferson.

The example of his life, his services to the people, and the people's faith in him earned for him the immortal epitaph, "Devoted husband and father, beloved statesman, friend of mankind, servant of God." Kerr Scott—esse quam videri, to be rather than to seem. Man and motto—the same.

William Kerr Scott, born in the Haw River section of Alamance County, N.C., on April 17, 1896, educated in the Hawfield public schools and North Carolina State College, farmer and dairyman, died April 16, 1958. In succeeding steps he served the people as a private in the field artillery of the U.S. Army in 1918; as Alamance County farm agent; as master of the North Carolina State Grange; as commissioner of agriculture; as officer or board member of many organizations identified with the improvement of rural life; as Governor of North Carolina, 1949-52, and as U.S. Senator from November 2, 1954, until his death.

Whereas the General Assembly of North Carolina wishes to make record of its deep appreciation for the life and public services of William Kerr Scott and its sorrow on account of his death: Now, therefore, be it Resolved by the Senate of North Carolina, the House of Representatives concurring—

SECTION 1. That in the death of the Honorable William Kerr Scott, North Carolina has lost a loyal son, a great citizen, and a distinguished leader and servant of all its people.

Sec. 2. That by these tokens the General Assembly of North Carolina expresses its genuine sympathy to Mrs. W. Kerr Scott, to her children, and to the brothers and sisters of the late W. Kerr Scott.

Sec. 3. That the general assembly acknowledges North Carolina's debt to Dr. David Leroy Corbitt for his editorship of the "Addresses and Papers of Gov. William Kerr Scott, 1949-53," including therein the biography of Governor Scott by Robert W. Redwine.

Sec. 4. That a copy of this resolution, duly certified, be delivered to Mrs. W. Kerr Scott, Route 1, Haw River, N.C.

Sec. 5. That this resolution shall be in full force and effect from and after its adoption.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, for Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 1691. An act for the relief of Oliver O. Newsome (Rept. No. 197);

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey (Rept. No. 198);

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard (Rept. No. 199);

H.R. 2295. An act for the relief of the Sterllon Corp. (Rept. No. 200);

H.R. 2603. An act for the relief of the American Hydrotherm Corp. (Rept. No. 201);

H.R. 2949. An act for the relief of Lois K. Alexander (Rept. No. 202);

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr. (Rept. No. 203); and

H.R. 3939. An act for the relief of Virginia E. Speer (Rept. No. 204).

REPORTS OF COMMITTEE ON BANKING AND CURRENCY

Mr. ROBERTSON. Mr. President, from the Committee on Banking and Currency, I report favorably, 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, with an amendment, together with supplemental views, and I submit a report (No. 196) thereon. I also report 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, with amendments, together with the supplemental views of the Senator from Illinois [Mr. DOUGLAS], and I submit a report (No. 195) thereon. I ask unanimous consent that the reports may be printed, together with the supplemental views, which accompany them.

The ACTING PRESIDENT pro tempore. The reports will be received and printed, as requested by the Senator from Virginia, and the bills will be placed on the calendar.

PARTICIPATION IN THE STRASBOURG CONFERENCE—REPORT OF A COMMITTEE

Mr. FULBRIGHT. Mr. President, from the Committee on Foreign Relations, I report an original concurrent resolution, authorizing participation in the Strasbourg Conference, and I submit a report (No. 205) thereon.

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

The concurrent resolution (S. Con. Res. 23) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That in response to an invitation received from the President of the Consultative Assembly of the Council of Europe, not to exceed fourteen Members of Congress shall be appointed to meet jointly with representatives of the Consultative Assembly of the Council of Europe at a Second Strasbourg Conference, to be held at a time when the United States Congress is not in session.

Sec. 2. Of the Members of the Congress to be appointed for the purposes of this resolution, the President of the Senate shall appoint seven Members of the Senate, including the chairman of the Senate group, and the Speaker of the House of Representatives shall appoint seven Members of the House of Representatives, including the chairman of the House group. Not more than four of the appointees from each House shall be of the same political party.

Sec. 3. The expenses incurred by Members of the Senate, Members of the House, and staff members designated by the respective chairmen for the purpose of carrying out this concurrent resolution shall not exceed \$15,000 for each House and shall be paid from the contingent fund of the House of which they are Members. Payments shall be made upon the submission of vouchers approved by the chairman of the respective Senate or House group.

INTERNATIONAL AGREEMENT FOR SUSPENSION OF NUCLEAR WEAPON TESTS—REPORT OF A COMMITTEE

Mr. HUMPHREY. Mr. President, from the Committee on Foreign Relations, I report favorably, with amendments, the

resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapon tests, and I submit a report (No. 206) thereon.

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

Mr. HUMPHREY. Mr. President, this is a report relating to the resolution calling upon the nations at Geneva to come to an agreement in the areas of prohibition of nuclear weapons tests, with effective controls and inspections, and other measures of disarmament. It is a great contribution by the United States in seeking a just and enduring peace. I am very grateful the Committee on Foreign Relations has seen fit to report the resolution. I hope it will have the wholehearted and, I trust, the unanimous, support of the U.S. Senate.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

Edward B. Brown, and sundry other persons, for appointment in the Coast and Geodetic Survey;

Frederick W. Rix, and sundry other persons, for appointment as warrant officers in the U.S. Coast Guard; and

Robert A. Biller, and sundry other persons, for appointment in the U.S. Coast Guard.

BILLS INTRODUCED

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

By Mr. BUSH:

S. 1714. 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.

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

By Mr. MURRAY:

S. 1715. A bill to grant minerals, including oil and gas, on certain lands in the Crow Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1716. A bill to amend the Internal Revenue Code of 1954 so as to permit amounts paid for the institutional care of a disabled person to be deducted as a medical expense; to the Committee on Finance.

S. 1717. A bill to authorize assumption by the various States of civil or criminal jurisdiction over cases arising on Indian reservations with the consent of the tribe involved; to permit gradual transfer of such jurisdiction to the States; and for other purposes; to the Committee on Interior and Insular Affairs.

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

S. 1718. A bill to provide a more equitable method for computing the self-employment income of farmers under the Social Security Act for taxable years ending during the period commencing January 1, 1955, and ending December 31, 1959; to the Committee on Finance.

By Mr. COOPER:

S. 1719. A bill for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahlil S. Grewal; and

S. 1720. A bill for the relief of Perry Lee Gorman; to the Committee on the Judiciary.

By Mr. KEATING:

S. 1721. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States; to the Committee on the Judiciary.

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

By Mr. CAPEHART:

S. 1722. A bill to reduce temporarily the production of farm commodities through the storage of surplus acreage, to discontinue certain sales of accumulated surplus stocks of such commodities, and to provide for programs of study and research for the purpose of finding new industrial uses for such commodities, thereby stabilizing prices of agricultural commodities and making possible the discontinuance of price-support payments; to the Committee on Agriculture and Forestry.

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

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 1723. A bill to amend the act providing for the leasing of coal lands in Alaska in order to increase the acreage limitation in such act; to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH:

S. 1724. A bill for the relief of Tse Man Chan;

S. 1725. A bill for the relief of Bart H. Hickman; and

S. 1726. A bill for the relief of Herbert B. Holloway; to the Committee on the Judiciary.

By Mr. CARROLL (by request):

S. 1727. A bill to suspend the requirement for the performance of annual labor on mining claims heretofore located for the development and production of fissionable source material; to the Committee on Interior and Insular Affairs.

By Mr. ELLENDER:

S. 1728. A bill for the relief of George P. E. Caesar, Jr.; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original concurrent resolution (S. Con Res. 23) authorizing participation in the Strasbourg Conference, which was placed on the Calendar.

(See the above concurrent resolution printed in full where it appears under the heading "Reports of Committees".)

EQUITABLE REIMBURSEMENT TO STATES FOR CERTAIN FREE AND TOLL ROADS

Mr. BUSH. Mr. President, I introduce, for appropriate reference, 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. I ask unanimous consent that the bill may lie on the desk until the close of business on Friday, April 24, so that other Senators may join as cosponsors if they so desire.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objec-

tion, the bill will lie on the desk, as requested by the Senator from Connecticut.

The bill (S. 1714) 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, introduced by Mr. BUSH, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. BUSH. Mr. President, my bill is a companion measure to House bill 6303, introduced in the House of Representatives by the distinguished chairman of the House Committee on Public Works, the Honorable CHARLES A. BUCKLEY, of New York.

A statement by Representative BUCKLEY in explanation of the bill appears on page 5796 of the CONGRESSIONAL RECORD for April 13, 1959, to which I invite the attention of Senators.

Mr. President, for several years I have urged Congress to do equity to the States which have contributed mileage to the National System of Interstate and Defense Highways, but which have not been reimbursed for their contributions.

The bill I have introduced today represents a refinement of previous bills I have introduced on this subject, the latest being Senate bill 570. Following the same principles, it proposes a practical method of compensating the States and of discharging the obligation of the Federal Government to them.

Mr. President, I ask unanimous consent that, following these remarks, there may be printed in the RECORD the text of the bill and a table showing the proposed reimbursements to the States.

There being no objection, the bill and table were 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 this Act may be cited as the "Interstate Highway Repayment Act".

Sec. 2. Congress hereby declares that this Act shall be the determination of policy with respect to reimbursement of certain interstate highways referred to in section 114 of the Federal-Aid Highway Act of 1956. This policy is that each State in which a toll or free highway, or portion thereof, the construction of which has been completed since August 7, 1947, or which has been in actual use or under construction by contract, for completion, not later than June 30, 1957, has been included in the National System of Interstate and Defense Highways, is entitled to receive reimbursement for such highway or portion thereof, in accordance with the provisions of this Act and title 23 of the United States Code.

Sec. 3. For the purpose of providing the additional amounts to which the States are entitled under section 132 of title 23 of the United States Code (as added by section 4 of this Act), there is hereby authorized to be appropriated: \$225,000,000 per fiscal year for each fiscal year in the period beginning July 1, 1961, and ending June 30, 1966; \$275,000,000 per fiscal year for each fiscal year in the period beginning July 1, 1966, and ending June 30, 1971; and \$359,120,000 per fiscal year for each fiscal year in the period beginning July 1, 1971, and ending June 30, 1976. These funds shall be appropriated out of general funds in the Treasury not otherwise appropriated and not out of the Highway Trust Fund created by section 209 of the Highway Revenue Act of 1956.

SEC. 4. (a) Chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following new section: § 132. Reimbursement for free and toll highways on Interstate System

"(a) For the purpose of equitably reimbursing each State for any portion of a toll or free highway (1) which is on the Interstate System, and (2) the construction of which has been completed since August 7, 1947, or which has been in actual use or under construction by contract, for completion, awarded not later than June 30, 1957, each such State shall be entitled to receive additional amounts for expenditure for the construction of highways on the Federal-aid primary system.

"(b) Any amount which a State is entitled to receive under subsection (a) of this section—

"(1) shall be in addition to any other amounts authorized for the Federal-aid primary system in such State,

"(2) may be combined with any other amounts authorized for any project in such State which is on the Federal-aid primary system, and

"(3) shall be available for expenditure without limitation on projects in either urban or rural areas."

(b) The table of sections at the beginning of chapter 1 of title 23 of the United States Code is amended by adding at the end thereof the following:

"132. Reimbursement for free and toll highways on Interstate System."

SEC. 5. Section 104 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(f) This section shall not apply with respect to additional amounts authorized to be received by the States for expenditure on the Federal-aid primary system in accordance with section 132 of this title."

SEC. 6. (a) Chapter 1 of title 23 of the United States Code is amended by inserting immediately after the last sentence of section 104, the following new section:

"§ 104A. Apportionment of additional amounts

"(a) The additional amounts authorized to be received by the States for expenditure on the Federal-aid primary system in accordance with section 132 of this title shall be apportioned in accordance with this section, and shall be apportioned by the Secretary on or before January 1 next preceding the beginning of each fiscal year for which such

amounts are so authorized. The Secretary shall certify to each State highway department the amount so apportioned for such State.

"(b) Each State shall receive as its apportionment for each fiscal year the same percentage of the total authorization for such fiscal year as appears opposite its name, as follows:

"STATE	Percentage
Alabama.....	0.16
Alaska.....	0
Arizona.....	.34
Arkansas.....	.09
California.....	6.07
Colorado.....	.40
Connecticut.....	6.48
Delaware.....	.73
District of Columbia.....	.12
Florida.....	.62
Georgia.....	.88
Hawaii.....	0
Idaho.....	.08
Illinois.....	9.56
Indiana.....	3.40
Iowa.....	.09
Kansas.....	2.05
Kentucky.....	.55
Louisiana.....	.41
Maine.....	.72
Maryland.....	3.15
Massachusetts.....	5.81
Michigan.....	4.53
Minnesota.....	.29
Mississippi.....	.11
Missouri.....	1.20
Montana.....	.06
Nebraska.....	.02
Nevada.....	.02
New Hampshire.....	.16
New Jersey.....	6.96
New Mexico.....	.11
New York.....	18.60
North Carolina.....	.66
North Dakota.....	.04
Ohio.....	5.11
Oklahoma.....	1.81
Oregon.....	1.54
Pennsylvania.....	6.68
Puerto Rico.....	0
Rhode Island.....	.24
South Carolina.....	0.07
South Dakota.....	.09
Tennessee.....	.10
Texas.....	3.71
Utah.....	.09
Vermont.....	.02
Virginia.....	2.24
Washington.....	1.42

	Percentage
West Virginia.....	2.13
Wisconsin.....	.14
Wyoming.....	.14."

(b) The table of sections at the beginning of chapter 1 of title 23 of the United States Code is amended by inserting immediately after

"104. Apportionment." the following:

"104A. Apportionment of additional amounts."

SEC. 7. Subsection (c) of section 118 of title 23 of the United States Code is amended by striking out "section 104" and inserting in lieu thereof "sections 104 and 104A".

SEC. 8. (a) Subsection (a) of section 120 of title 23 of the United States Code is amended by striking out "subsections (d) and (h)" and inserting in lieu thereof "subsections (d), (h), and (i)".

(b) Section 120 of title 23 of the United States Code is further amended by adding at the end thereof the following new subsection:

"(i) Unless the State elects to pay a share of the cost of any project (including any portion of a project) financed entirely with additional amounts apportioned under section 104A, the Federal share payable on account of such project shall be 100 percent."

SEC. 9. (a) Subsection (a) of section 121 of title 23 of the United States Code is amended by striking out "The Secretary" and inserting in lieu thereof "Except as provided in subsection (f), the Secretary".

(b) Section 121 of title 23 of the United States Code is further amended by adding at the end thereof the following new subsection:

"(f) The Secretary shall, from time to time as the work progresses, and upon the request of the State, make payments to a State for costs of construction incurred by it on a project financed in whole or in part by additional amounts apportioned under section 104A of this title. Each such progress payment shall be made not later than thirty days after the date it is requested by the State. These payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project."

The table presented by Mr. BUSH is as follows:

INTERSTATE HIGHWAY REPAYMENT ACT
Net reimbursement amounts based on 90 percent of depreciated original cost less Federal aid already paid toll and free roads
(Dollar amounts in millions)

State	Miles	Total cost less depreciation	State's share of cost	Less Federal-aid payments already made	Net reimbursable amount	Percent of national total	State	Miles	Total cost less depreciation	State's share of cost	Less Federal-aid payments already made	Net reimbursable amount	Percent of national total
Alabama.....	93.3	\$18.2	\$16.4	\$9.7	\$6.7	0.16	New Hampshire.....	24.0	\$10.1	\$9.1	\$2.3	\$6.8	0.16
Alaska.....							New Jersey.....	84.2	356.4	320.8	22.0	298.8	6.96
Arizona.....	457.9	41.9	39.5	25.0	14.5	.34	New Mexico.....	321.5	20.0	18.5	13.7	4.8	.11
Arkansas.....	52.6	14.0	12.6	8.9	3.7	.09	New York.....	568.6	1,036.2	932.6	133.5	799.1	18.60
California.....	850.2	379.9	348.1	87.5	260.6	6.07	North Carolina.....	270.4	58.5	52.7	24.2	28.5	.66
Colorado.....	272.7	45.8	41.8	24.8	17.0	.40	North Dakota.....	145.4	6.9	6.2	4.5	1.7	.04
Connecticut.....	143.6	326.6	293.9	15.5	278.4	6.48	Ohio.....	328.4	300.1	270.1	50.7	219.4	5.11
Delaware.....	4.1	34.9	31.4		31.4	.73	Oklahoma.....	251.5	101.8	91.6	13.7	77.9	1.81
Florida.....	97.4	35.5	32.0	5.4	26.6	.62	Oregon.....	378.9	106.0	97.9	31.9	66.0	1.54
Georgia.....	137.6	68.7	61.8	24.2	37.6	.88	Pennsylvania.....	388.2	432.6	389.4	102.4	287.0	6.68
Idaho.....	117.7	11.8	10.9	7.5	3.4	.08	Rhode Island.....	10.4	19.2	17.3	6.9	10.4	.24
Illinois.....	549.7	550.1	495.1	84.4	410.7	9.56	South Carolina.....	63.1	9.5	8.6	5.4	3.2	.07
Indiana.....	306.9	180.6	162.5	16.2	146.3	3.40	South Dakota.....	137.3	9.8	8.9	5.2	3.7	.09
Iowa.....	52.1	12.1	10.9	7.0	3.9	.09	Tennessee.....	16.7	14.8	13.3	9.2	4.1	.10
Kansas.....	307.9	109.3	98.4	10.3	88.1	2.05	Texas.....	1,440.6	285.1	256.6	97.7	169.5	3.71
Kentucky.....	56.4	37.6	33.8	10.2	23.6	.55	Utah.....	208.3	18.3	17.4	13.5	3.9	.09
Louisiana.....	37.8	33.3	30.0	12.6	17.4	.41	Vermont.....	7.8	3.2	2.9	1.9	1.0	.02
Maine.....	72.9	38.7	34.8	3.7	31.1	.72	Virginia.....	161.8	123.0	110.7	14.5	96.2	2.24
Maryland.....	178.1	165.3	148.8	13.4	135.4	3.15	Washington.....	378.6	90.3	81.9	20.8	61.1	1.42
Massachusetts.....	152.7	292.0	262.8	13.2	249.6	5.81	West Virginia.....	92.2	105.9	96.1	4.5	91.6	2.13
Michigan.....	291.3	283.1	254.8	59.8	195.0	4.53	Wisconsin.....	62.3	12.7	11.4	5.5	6.9	.14
Minnesota.....	159.4	25.9	23.3	10.8	12.5	.29	Wyoming.....	304.0	23.1	21.5	15.6	6.9	.14
Mississippi.....	92.5	12.5	11.3	6.6	4.7	.11							
Missouri.....	373.1	113.8	102.4	50.8	51.6	1.20	District of Columbia.....	4.8	16.2	14.6	9.2	5.4	.12
Montana.....	206.9	15.0	13.7	11.1	2.6	.06	Puerto Rico.....						
Nebraska.....	13.2	1.4	1.2	.5	.7	.02							
Nevada.....	226.9	10.9	10.4	9.7	.7	.02							
							Total.....	10,953.9	6,018.6	5,432.7	1,137.1	4,295.6	100.00

**AMENDMENT OF SECTION 3731,
TITLE 18, UNITED STATES CODE,
RELATING TO CERTAIN APPEALS
BY THE UNITED STATES**

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to give the United States the right to appeal, in a criminal prosecution, from a decision sustaining a motion to suppress evidence.

It has always been fundamental to our system of law that the accused in criminal proceedings be protected by every procedural safeguard in order to avoid harassment or conviction of innocent persons. At common law the sovereign had no right to appeal in criminal cases, and our Constitution guarantees the accused that he will not be placed in jeopardy more than once.

Over the years it came to be realized, however, that to deny the prosecution the right to appeal from decisions on those motions which in effect enabled the accused to escape without a conclusive trial on the merits greatly hampered the Government in its fight against crime. On the other hand, to allow the Government to appeal in such cases would not deprive the accused of any of the traditional safeguards to which he was entitled.

Congress proceeded with caution, and the resulting legislation—the Criminal Appeals Act, section 3731 of title 18 of the United States Code—confers on the Government carefully defined and limited rights of appeal in criminal cases.

My bill would add to that act the right to appeal to the court of appeals from an order granting a motion to suppress evidence. There is no question that this right is essential to efficient law enforcement; nor can it be argued that it denies the accused any safeguard to which he is entitled.

A prime example of how this weakness in the law can hamstring our enforcement officers is the narcotics case. The Government's whole case normally depends upon proof that the accused was apprehended in possession of illegal narcotics. Rule out the corpus delicti and the case must fail; there is no use in pursuing the matter further—the accused is acquitted without trial. The Government cannot have the determination reviewed, and under the present law the evidence can never be used again.

The same reasoning applies to other serious crimes, such as smuggling, violations of Federal Revenue laws, and very conceivably, to cases involving espionage and sabotage, with respect to which my bill would be effective.

While there have been similar bills introduced both in the House and the Senate from time to time, I feel that this bill meets a most serious law enforcement problem head on, in a simple, straightforward manner and in that respect represents a moderate approach which should be acceptable both to Congress and the courts.

The PRESIDING OFFICER (Mr. HART in the chair). The bill will be received and appropriately referred.

The bill (S. 1721) to amend section 3731 of title 18 of the United States Code relating to appeals by the United States, introduced by Mr. KEATING, was received, read twice by its title, and referred to the Committee on the Judiciary.

**LABOR-MANAGEMENT REPORTING
AND DISCLOSURE ACT OF 1959—
AMENDMENTS**

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 1555) 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, which were ordered to lie on the table and be printed.

Mr. CURTIS submitted amendments, intended to be proposed by him to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

Mr. ALLOTT submitted amendments, intended to be proposed by him to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

Mr. PROUTY submitted amendments, intended to be proposed by him, to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

Mr. McCLELLAN submitted amendments, intended to be proposed by him, to Senate bill 1555, supra, which were ordered to lie on the table and to be printed.

**FOOD STAMP PLAN FOR PERSONS
NEEDING PUBLIC ASSISTANCE—
ADDITIONAL COSPONSORS OF
BILL**

Under authority of the order of the Senate of April 15, 1959, the names of Mr. GRUENING, Mr. RANDOLPH, Mr. MURRAY, and Mr. HART, were added as additional cosponsors of the bill (S. 1686) to provide for the public welfare by authorizing and directing the Secretary of Health, Education, and Welfare to initiate a food certificate program for the benefit of low income and unemployed persons, introduced by Mr. SYMINGTON (for himself and Mr. HUMPHREY), on April 15, 1959.

**AUTHORIZATION FOR COMMITTEE
ON APPROPRIATIONS TO FILE RE-
PORT DURING RECESS OR AD-
JOURNMENT**

Mr. MANSFIELD. Mr. President, at the request of the chairman of the Appropriations Committee, the distinguished senior Senator from Arizona [Mr. HAYDEN], I ask unanimous consent that during the recess or adjournment of the Senate, he may be allowed to file the report of that committee on the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

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

**ADDRESSES, EDITORIALS, ARTI-
CLES, ETC., PRINTED IN THE
RECORD.**

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:
Address delivered by him before the National Independent Dairy Association, at Washington, D.C., on April 14, 1959.

By Mr. MURRAY:
Statement urging Federal aid to education made by Senator RANDOLPH before the Subcommittee on Education of the Committee on Labor and Public Welfare.

Tribute to the late Barrow Lyons, prepared by him.

By Mr. HUMPHREY:
Book review by him entitled "Stevenson on Russia: The Great Battle May Be Economic," published in the Washington Post and Times Herald of March 22, 1959.

Article entitled "A Long Look at China," written by Hon. CHESTER BOWLES, published in the Saturday Evening Post of April 4, 1959.

**NOTICE CONCERNING CERTAIN
NOMINATIONS BEFORE COMMIT-
TEE ON THE JUDICIARY**

Mr. JOHNSTON of South Carolina. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Dale M. Green, of Washington, to be U.S. attorney, eastern district of Washington.

Curtis Clark, of Kentucky, to be U.S. marshal, eastern district of Kentucky.

Lama A. De Munbrun, of Kentucky, to be U.S. marshal, western district of Kentucky.

Joseph Mainelli, of Rhode Island, to be U.S. attorney, district of Rhode Island.

Kenneth C. Raub, of Indiana, to be U.S. attorney, northern district of Indiana.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, April 24, 1959, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

**NOTICE OF HEARING ON NOMINA-
TIONS OF EXAMINERS IN CHIEF,
U.S. PATENT OFFICE**

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, April 24, 1959, at 10 a.m., in room 2228, New Senate Office Building, upon the following nominations: James L. Brewrink, of Maryland; Malcolm F. Bailey, of Maryland; James E. Keely, of Maryland; Joseph C. Manian, of Maryland, to be examiners in chief, U.S. Patent Office.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee con-

sists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Michigan [Mr. HART], the Senator from Wisconsin [Mr. WILEY], and myself, as chairman.

NOTICE OF HEARING ON CERTAIN NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, April 24, 1959, at 10 a.m., in room 2228, New Senate Office Building, upon the following nominations:

Eugene Worley, of Texas, to be chief judge, U.S. Court of Customs and Patent Appeals, vice Noble L. Johnson, retired.

Arthur M. Smith, of Michigan, to be associate judge, U.S. Court of Customs and Patent Appeals, vice Eugene Worley, elevated.

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

ACTION NOW CAN STOP INFLATION

Mr. BUSH. Mr. President, in the April 1959 issue of Nation's Business magazine appears an article by Marcus Nadler, professor of finance at the New York University Graduate School of Business and a well known consultant and authority on business finance. The article is entitled "Action Now Can Stop Inflation."

Professor Nadler has presented an excellent summary of the evils of inflation and of the dangers it creates for our economy.

He says that if the Nation wishes to curb the forces of inflation and to assure relative stability in the purchasing power of the dollar, four steps must be taken:

1. The efforts of the President to balance the budget during the next fiscal year must be supported. If defense expenditures must be increased, other expenditures should be lowered.

2. Management and labor must use restraint in forthcoming wage negotiations to prevent a further wage-price spiral.

Wage increases should not exceed the rise in productivity, and the benefits derived from the installation of labor-saving machinery should be shared by labor and management with the consumer.

3. The farm policy must be changed to stop the drain on the public, which now pays taxes to enable the Government to accumulate huge farm surpluses and at the same time pays higher prices for farm products. Moreover, this policy makes more difficult the sale of American agricultural commodities abroad on a commercial basis.

4. The Employment Act of 1946 should be amended to make it the obligation of the Government to strive not only for satisfactory employment conditions but also for maintenance of the integrity of the dollar.

Mr. President, I desire to invite the attention of Senators to a few other especially significant paragraphs of Pro-

fessor Nadler's article. In describing the deterioration of America's competitive position in world markets, Professor Nadler writes as follows:

The productive facilities of the European countries have been rehabilitated. The new industries are operating with modern labor-saving devices. Mass production is spreading. It will receive a new impetus under the Common Market.

Until recently most European nations were not in a position to export large amounts of machinery, equipment, and other capital goods without long delays in delivery. Now, however, they can compete with us in delivery and quality.

Moreover, wage rates in the leading industrial countries of Europe and in Japan are substantially lower than ours.

As a result, prices of many types of goods are lower than for American products. For example, in the third quarter of 1958 the wholesale price index of machinery and vehicles was 122 for the United States (1953-100), 115 for Great Britain, and only 107 for West Germany.

It is clear, therefore, that creeping inflation in the United States will adversely affect our exports.

American manufacturers will be unable to compete with foreign nations in many lines. Imports will increase and the United States will not be in a position to raise tariffs or to impose import quotas on many types of goods because of the political repercussions abroad. Such a policy could induce some of our allies to seek more trade with the Soviet bloc.

The consequences of these developments will be:

1. Unemployment in industries affected by foreign competition will increase. This is bound to have an adverse impact on general business activity.

2. In the effort to mitigate unemployment, Federal expenditures and budget deficits will be increased.

3. The United States' favorable balance of payments will decline.

4. These combined factors may undermine foreign confidence in the dollar and lead to an outflow of funds and gold.

Should such a situation develop, the United States will face the choice either of devaluing the dollar in relation to other currencies or adopting a policy of austerity to bring costs and prices into line with those of other countries.

Either decision would be exceedingly painful.

Mr. President, I ask unanimous consent that the entire article may be printed in the RECORD following these remarks.

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

ACTION NOW CAN STOP INFLATION

(By Marcus Nadler)

Creeping inflation is an economic disease. If continued, it will undermine the security of many millions of Americans.

It will deprive the thrifty of their savings. It will create large-scale unemployment and a highly volatile economy. By endangering the integrity of the dollar, it may weaken its position in the financial centers of the world.

Fortunately, the inflation forces are likely to remain dormant for the next few months. Now, therefore, is the time to take the proper steps to prevent a recurrence of this economic menace.

In spite of the rapid business recovery, the economy is still operating below capacity and unemployment is high.

Last year's abundant crops forecast a modest reduction in food prices, the most important element in the consumer price

index. Federal Reserve authorities have adopted a policy of moderate credit restraint. The net effect has been that the wholesale price index has remained relatively stable during the past 12 months and the consumer price index has increased more slowly than during the preceding year.

If the Nation wishes to curb the forces of inflation and to assure relative stability in the purchasing power of the dollar, these steps must be taken:

1. The efforts of the President to balance the budget during the next fiscal year must be supported. If defense expenditures must be increased, other expenditures should be lowered.

2. Management and labor must use restraint in forthcoming wage negotiations to prevent a further wage-price spiral.

Wage increases should not exceed the rise in productivity, and the benefits derived from the installation of labor-saving machinery should be shared by labor and management with the consumer.

3. The farm policy must be changed to stop the drain on the public, which now pays taxes to enable the Government to accumulate huge farm surpluses and, at the same time, pays higher prices for farm products. Moreover, this policy makes more difficult the sale of American agricultural commodities abroad on a commercial basis.

4. The Employment Act of 1946 should be amended to make it the obligation of the Government to strive not only for satisfactory employment conditions, but also for maintenance of the integrity of the dollar.

These measures will impose no great hardships on the Nation.

If they are taken in time, the desired results will be achieved and inflation will be checked. If not, the Nation will eventually be forced to impose on itself an austerity program which will be much more painful than the relatively mild remedies now required. The experience of France and other countries which have recently tried to live beyond their means and adopted creeping inflation as a way of life should be a lesson to the United States as to where such a policy leads if it is not checked in time.

These countries provide an effective answer to those who claim that a mild form of inflation such as we have had during the past few years is desirable because it creates favorable business activity, increases employment, and leads to larger profits.

Those who hold this view imply that the United States must choose between mild inflation or large-scale unemployment. They argue that the stability of the dollar is maintained at the cost of the unemployed. Thus, a mild form of inflation fosters economic growth, while attempts to preserve the purchasing power of the dollar would lead to unemployment and economic stagnation. If this were true, the only way out of this dilemma would be to impose price and wage controls, which are not feasible in peacetime.

The problem is not as simple as that. It is highly doubtful whether reasonable price stability must necessarily cause unemployment. On the other hand, if a steady rise in prices is accepted as desirable, the number of individuals affected and the degree of suffering will be much greater than would result from allowing some unemployment.

It will cause such suffering:
By its impact on capital formation.
By contributing to a volatile economy.
By undermining economic security.
By weakening our world position.
By its constant threat of turning into a galloping inflation.

CAPITAL FORMATION

To cite one example of the ravages of inflation: At the end of 1945 individuals held \$65 billion of Government obligations. By the end of 1957 these obligations, as measured by the consumer price index, had lost

\$23.9 billion in purchasing power. If one considers the vast amounts represented by savings deposits, shares in savings and loan associations, fixed-income-bearing securities, mortgages, pensions and annuities, the losses are multiplied.

Nor is it correct to assume that inflation leads to rapid growth in production and wealth. In current dollars the gross national product increased from \$363 billion in 1954 to \$453 billion (on an annual basis) in the last quarter of 1958, an increase of 25 percent. In dollars of 1954 purchasing power, however, the gross national product rose only to \$408 billion, or 12 percent.

The defenders of creeping inflation, acknowledging that holders of fixed dollar assets suffer, suggest that they be compensated in one form or another. One method, they suggest, would be to include in fixed-income-bearing obligations a clause requiring payments commensurate with the rise in the cost of living, as was done in Finland. Such a provision, however, would create major problems. The Federal Government, the largest single borrower, would not know what its ultimate obligations would be. State and local governments certainly would not tie their obligations to a cost-of-living index. Many corporations would refuse to do so because of the uncertain liabilities involved.

If not checked in time, creeping inflation will also have an adverse effect on the capital market. The supply of long-term funds seeking an outlet in bonds and mortgages will be reduced at a time when the demand for them is likely to grow. With a condition of persistent creeping inflation, individuals will sooner or later realize that investments in fixed-income-bearing securities are not desirable.

Although the income may be absolutely safe, the real value of the investment and the return tends to decrease constantly.

Under such circumstances, individual investors will turn more and more to equities or nonfinancial tangible assets, such as real estate, and less and less to bonds and savings deposits.

The shift of institutional investors, such as pension funds, from bonds to equities is already pronounced. This trend will continue unless the upward movement of commodity prices is halted.

Another effect of inflation will be that insurance companies will press more vigorously for the right to sell variable annuities. If States grant this right, this phase of the insurance business will grow materially, further reducing the availability of funds for fixed-income-bearing securities.

At the same time, the demand for long-term funds will increase because, in the expectation of higher costs, corporations and political entities will try to anticipate their capital needs. The demand for long-term funds will thus tend to exceed the supply.

The commercial banks will not be able to meet the deficiency because under conditions of creeping inflation the Federal Reserve authorities are likely to adopt a policy of active credit restraint to reduce the availability of bank credit.

The effect will be a decline in home construction and public works, and possibly of public utility and other industrial construction.

In time, these factors will lead to a downturn in general business activity.

The impact of creeping inflation was aptly summarized by Ralph A. Young, research director of the Board of Governors of the Federal Reserve:

"In the longer run, without a relatively stable price level, it is most unlikely that an orderly economic growth at the maximum sustainable rate would be attainable."

A VOLATILE ECONOMY

Creeping inflation tends to create a highly volatile economy. It brings maladjustments

in wages and prices and leads to the adoption of a policy of strong credit restraint and ultimately to a decline in business activity, increased unemployment and reduced profits.

Inflation causes accumulation of inventories, which temporarily stimulates business activity. But the increase in prices of goods and services reduces the purchasing power of those living on fixed incomes. In time, the falling off of consumer buying power and the policy of active credit restriction bring the inventory accumulation to an end. Then liquidation sets in.

This happens at a time when the shortage of long-term funds is decreasing homebuilding, construction of public works and capital expenditures by corporations.

All these factors combined set in motion a sharp drop in business activity.

The first part of the cycle of creeping inflation is completed.

The Government's efforts to prevent the recession from becoming too serious and protracted actually prevent a correction of the maladjustments.

The measures taken by the Government to combat the recession lead to an increase in the public debt. Financed partly through the commercial banks, these result in an increase in the money supply. This in turn revives the fears of inflation and keeps prices from falling. Wages and other costs of production continue to mount.

The larger money supply, the renewed fears of inflation, and the increased government expenditures bring an upturn as business tries to hedge against higher prices by means of anticipatory buying. This upturn accelerates the wage-price spiral and is soon followed by a decline in business activity and another rise in the public debt.

Moreover, the constant rise in costs of production, notably wages, leads to the installation of more labor-saving devices with effects soon felt in the labor market.

Unemployment may, therefore, remain substantial even after business activity is renewed.

ECONOMIC SECURITY

Creeping inflation, if continued, will undermine the economic security of millions. It will reduce the real value of pensions and social security benefits. It will make savings of individuals less valuable in purchasing power and erode the value of life insurance policies and annuities.

So far these adverse effects have brought only mild protest from the people affected.

Within the next decade, however, the number of people aged 65 and more living on savings, pensions, and social security benefits will increase materially. These people are not likely to sit by and see their economic security further undermined without protesting or without bringing political pressure for remedial legislation.

Since private pensions, based on actuarial calculations, cannot easily be increased, the greatest pressure will be on the Federal Government to raise social-security payments and on State and local governments to increase pensions. This may lead to a material increase in social security and local taxes, in turn reducing the take-home pay of employed persons and adding to the tax burden of the employers. Or it may lead to increased Federal and local government expenditures and larger deficits, further feeding the forces of inflation.

Either of these developments is undesirable.

THE DOLLAR'S WORLD POSITION

Recently, most European nations returned to limited convertibility, which means that nonresidents may now convert foreign currencies obtained from current transactions freely into dollars. To maintain convertibility, these countries will have to employ strict fiscal and monetary discipline to prevent inflationary pressures.

Such pressures will lead to a curtailment of exports and an increase in imports. This in turn will result in a loss of gold or dollar reserves which, if not checked in time will force suspension of convertibility and imposition of exchange restrictions. European nations waited a long time before they took this big step toward convertibility.

It may be taken for granted they will do everything in their power to maintain the status of their currencies.

The productive facilities of the European countries have been rehabilitated. The new industries are operating with modern labor-saving devices. Mass production is spreading. It will receive a new impetus under the Common Market.

Until recently most European nations were not in a position to export large amounts of machinery, equipment, and other capital goods without long delays in delivery. Now, however, they can compete with us in delivery and quality.

Moreover, wage rates in the leading industrial countries of Europe and in Japan are substantially lower than ours.

As a result, prices of many types of goods are lower than for American products. For example, in the third quarter of 1958 the wholesale price index of machinery and vehicles was 122 for the United States (1953=100), 115 for Great Britain, and only 107 for West Germany.

It is clear, therefore, that creeping inflation in the United States will adversely affect our exports.

American manufacturers will be unable to compete with foreign nations in many lines. Imports will increase and the United States will not be in a position to raise tariffs or to impose import quotas on many types of goods because of the political repercussions abroad. Such a policy could induce some of our allies to seek more trade with the Soviet bloc.

The consequences of these developments will be:

1. Unemployment in industries affected by foreign competition will increase. This is bound to have an adverse impact on general business activity.
2. In the effort to mitigate unemployment, Federal expenditures and budget deficits will be increased.
3. The United States favorable balance of payments will decline.
4. These combined factors may undermine foreign confidence in the dollar and lead to an outflow of funds and gold.

Should such a situation develop, the United States will face the choice either of devaluing the dollar in relation to other currencies or adopting a policy of austerity to bring costs and prices into line with those of other countries.

Either decision would be exceedingly painful.

GALLOPING INFLATION

Creeping inflation can easily degenerate into galloping inflation. If the purchasing power of the dollar continues to decline and people become convinced that there is no real desire to check the inflationary pressures, they may decide to spend a part of their accumulated savings by anticipating their future needs and wants. Toward the end of November 1958, liquid assets held by the public in the form of currency, bank deposits, shares of savings and loan associations, and "E" savings bonds totaled approximately \$322 billion. Even if a moderate portion of this sum were spent, a sharp increase in sales and heavy accumulation of inventories could easily follow.

In short, an inflation boom would be started.

Experience of the past has shown that such booms invariably end in disaster within a relatively short time.

NOMINATION OF MRS. CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

Mr. BUSH. Mr. President, yesterday I was absent from the Chamber, because I attended, in Connecticut, the funeral of Mrs. Julia Keeney, of Somersville, a member of the Republican National Committee.

I have noted in the newspapers today that yesterday on the floor of the Senate there was some debate in regard to the nomination of Mrs. Clare Boothe Luce, of Connecticut, to be Ambassador to Brazil. I am sorry I was not in the Chamber at that time, because if I had been here I certainly would have defended the nomination.

I had the honor of escorting Mrs. Luce to the Foreign Relations Committee's hearing only 2 days ago, and at that time I urged very strongly that her nomination be reported favorably to the Senate.

Mrs. Luce is a highly distinguished public servant of the Nation. She served for 4 years in the Congress of the United States; and both in that capacity and in other ways she has shown outstanding ability. She has also shown excellence in the literary world and in the religious world. Finally, she has given outstanding service to the Nation as a diplomat, as our Ambassador to Italy for a period of approximately 4 years. Although there were many persons who doubted that that was a wise appointment, upon the conclusion of her service as Ambassador to Italy it was generally and very widely recognized that she had been a very successful Ambassador—indeed, an excellent one.

In view of her brilliant performance and her outstanding ability, I believe that we are fortunate that the President has nominated her once more to serve in this field—this time to be the Ambassador of our country to Brazil. I am confident she will give an excellent performance there, and I hope the Senate will promptly confirm her nomination.

UNITED STATES FOREIGN POLICY—ADDRESSES BY SENATOR FULBRIGHT AND AN EDITORIAL

Mr. MANSFIELD. Mr. President, yesterday the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], delivered two addresses, one before the American Society of Newspaper Editors, in the city of Washington; and, later in the day, an address at the 10th anniversary banquet of the Reporter magazine, at the Overseas Press Club, in New York City.

I also wish to call attention to an editorial entitled "Nonpartisan Foreign Policy," which appears in today's issue of the Washington Post.

Mr. President, in view of the extreme importance of these two speeches and the valuable advice contained in the editorial published in the Post, I think it behooves the Senate and the entire country to read them with great interest and much care.

Therefore, I ask unanimous consent that the two speeches on the foreign policy, delivered by the distinguished

Senator from Arkansas [Mr. FULBRIGHT] the chairman of the Foreign Relations Committee, and the editorial which was published in the Washington Post, be printed at this point in the RECORD.

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

ADDRESS BY SENATOR J. W. FULBRIGHT, CHAIRMAN, SENATE FOREIGN RELATIONS COMMITTEE, BEFORE THE AMERICAN SOCIETY OF NEWSPAPER EDITORS, WASHINGTON, APRIL 16, 1959

I want to talk to you not so much about our foreign policy, what it is or what it ought to be, as about our attitudes toward foreign policy and how we go about making it. Until we get straightened out on this latter point, we are never going to make much progress with the former one.

We are dealing here with what a former Secretary of State has rightly called "democracy's most difficult problems." They are the problems arising from the extraordinary, the almost incomprehensible, complexity and fragmentation of the democratic decision-making process. We see this process at work every day in a thousand ways, and it is by no means confined to the Federal Government. It involves collective bargaining contracts, decisions of investors, of buyers and sellers, of borrowers and lenders. It involves decisions of local governments as to what teachers salaries they will pay, decisions of industrial managers as to what prices they will charge, decisions of farmers as to what crops they will plant. The sum of all of these decisions, plus thousands of others, equals national policy.

Few of the people participating in making these decisions think of themselves as contributing to national policy. They quite naturally think of themselves only as deciding a limited question, in a limited context, with limited consequences. The result is that the policy which emerges from the sum of these decisions is quite frequently one which nobody has consciously willed.

We have inflation, not because anybody decided it would be a good thing, but because hundreds of thousands of people who bargain over wage rates and prices acted in a way to make wages and prices higher.

We have an inadequate school system, not because anybody is opposed to public education, but because tens of thousands of local governments have preferred to keep tax rates down than to push school budgets up and because too many parents have wanted their children to study baton-twirling instead of algebra.

We have an inadequate foreign policy, not because we want it that way, but because we have not yet brought ourselves to accept the realities of our position in the world and the inseparability of domestic and international policy.

And we have an almost unmanageable governmental machinery, not because anyone deliberately planned it that way, but because millions of individual citizens, exercising their constitutional right to vote, brought about this result. On top of the complex Federal-State system of checks upon the power of the National Government, we presently have the legislative and executive powers controlled by different parties. Such a Government is like having a motorcar with magnificent brakes but no motor.

If I may digress a moment at this point. Realizing the difficulty of moving such a cumbersome machinery, the majority leader of the Senate has endeavored to supply the motive power to get the machinery moving by an unusual display of energy and leadership. To my astonishment he has been vigorously attacked by certain of his colleagues on the grounds that he is at once dictatorial in his methods and too complais-

ant as regards the Executive. These attacks are unjustified in my opinion. Rather than less, we need more positive and energetic leadership, not only in the legislative branch, but especially in the executive branch of our Government.

In this area we are at an enormous disadvantage vis-a-vis the Soviets. One aspect of this disadvantage is obvious: A monolithic, authoritarian state, such as the Soviet Union, can mesh domestic and international policy much more readily than can a pluralistic, democratic state, such as the United States. This aspect of the disadvantage we can accept; indeed, we have to accept it, because we are simply not willing to pay the price—in terms of individual liberties—that would be required to overcome it.

But there is another aspect of our disadvantage vis-a-vis the Soviets. This one is subtler—at least, equally important—and less acceptable. It is that in the Soviet Union the people who participate in the decision-making process—and they are, of course, only a handful—have a very clear conception of their role in the world. In the United States the people who participate in the decision-making process—and they number literally in the millions—do not have such a conception.

That this is so is really not very surprising. Although individual Americans tend to be gregarious, as a nation we have historically been introverted. For most of our national existence we have been physically remote from the rest of the world, and even now most of us remain psychologically remote. We have had the better part of a continent, rich in resources, to settle and develop. Until recently foreign policy has not seemed important to our survival as it has to the states of Europe.

One consequence of this is that we have never developed the mass interest in diplomacy which one finds in Europe. More importantly, we have never developed a coherent, realistic national point of view toward the world and our place in it.

Historically, our excursions into foreign affairs have been primarily military—painful exercises which were to be gone through as quickly as possible so that we could return to life and business as usual. Even when we are not dealing with strictly military matters, we still use military terms. We talk about the cold war and about psychological warfare in—to use a cliché which I am thoroughly sick of—"the battle for the minds and hearts of men." I suspect that we still tend subconsciously to regard the cold war as an episode rather than an era.

In point of fact, however, the main problem which confronts us today is not a military problem, although the military aspect is of great importance. It is not even an economic and political problem, though this is of even greater importance.

The main problem is a psychological problem within ourselves.

It involves the question of how we are going to adjust ourselves to living in a world in which the only other power of comparable strength is, to put it mildly, unfriendly. Worse, how are we going to adjust ourselves, as we must a few decades hence, to living in a world in which the 600 million—perhaps by then 1 billion—Communist Chinese are a major power? In short, how are we going to get used to the idea that, like most other states of the past, we, too, now have to rely on foreign policy for survival? And how are we going to equip ourselves to do so?

We live in an age of revolution without parallel or precedent. We have said this so often that it has become trite, but we have not grasped the full enormity of its meaning. Disraeli, that wise 19th-century practitioner of diplomacy, said that "revolutions are not to be evaded"—and this one is no exception. It is time we looked it squarely in the face.

This revolution gains added force from its multiple aspects which act and react upon each other. It is compounded of the growth of Soviet power, of nationalism, and an insistent demand for improved living standards in underdeveloped countries, and of a technology which is accelerating at a dizzying pace. The Communists did not start this revolution. They are, in Robert Strauss-Hupe's phrase, "not the makers but the scavengers of revolutions." We would have many of our present problems if the Communists did not exist, but the fact of their existence—and particularly the fact of Soviet power—adds immeasurably to the urgency of our problems.

The urgency has also been greatly increased by the fact that the United States, without willing it and hardly knowing what to do about it, has been thrust inescapably into a position of world leadership. Under the circumstances, we have not done too badly. There is much in the history of the last two decades of which the American people can be justly and humbly proud. But, in Robert Browning's words, "he who did win the war, just earns the right to begin doing well in peace." We have done reasonably well, but not nearly well enough, and we are going to have to do a great deal better.

Before we can start doing very much better, we are going to have to arrive at a much deeper, more thorough-going national agreement about what our real national interests are.

At bottom, it seems to me, these real national interests dictate that we do what we can—and it will usually be marginal at best—to protect the 20th-century revolution in non-Communist Asia, in Africa, and in Latin America from the Communist scavengers. Our interests require that this revolution be given a chance to develop along constructive lines.

In dealing with the free people who are caught up in this revolution, we are going to have to realize that the rich and the powerful may be respected—if they conduct themselves so as to merit respect—but they are rarely loved.

We are going to have to realize that a democratic form of government in a middle-class social order does not clearly and necessarily represent the highest good to several hundred million or more of the people on this planet.

We are going to have to realize that a way of life is not necessarily inferior to ours simply because it is different.

We are going to have to realize that it is perhaps conceivable we can learn something from other people.

In short, we are going to have to grow up—to become more mature, sophisticated, humble, subtle, and wise.

Further, we are also going to have to pay more attention to the foreign policy implications of what we have always heretofore regarded as purely domestic decisions. This is especially the case as regards economic policies in general and the allocation of resources in particular.

Out of our incredibly complicated and fragmented decision-making process, we have got to arrive at some national decisions regarding priorities. If we get the kind of general national agreement that I am talking about, these decisions, I think, will be a good deal easier than they seem to be now. We will, for example, be more nearly ready to sacrifice short-term luxuries for long-term growth. We will be quicker to perceive that a greater investment in education today will give us the skills—particularly the knowledge of history and languages and alien cultures—that we will need to live in the world of tomorrow. We will understand better why it is that the world's biggest creditor Nation must export more capital and import more goods. We

might even bring ourselves to put less steel into automobile tail fins and more into school construction.

It is easy for the Soviets to make these kinds of decisions regarding allocation of resources. They do it by fiat. It is difficult for us to make the same kinds of decisions, because although the Government has a role to play, it does not always have the dominant role, and it cannot play any role at all unless it has the support of the people.

I think the American people are capable of making these decisions, but first they have got to understand what needs to be done and why. This is a field in which the press has a great responsibility and so also does the Senate.

All of us, I think, tend to become overly preoccupied with the crises of the moment, currently with Berlin. Now, I do not want to underestimate the gravity of the Berlin crisis; it could well explode into world war III. But world war III could just as well be spawned in any of a dozen other trouble spots.

We are all, of course, interested in short-term policies and in day-to-day operations in situations like that in Berlin. But there is really not very much that either Congress or the press can do in these situations. Aside from the fact that the President has the primary constitutional responsibility, the Senate as a practical matter is very poorly equipped to deal with day-to-day policymaking or to try to outguess the President in this field.

The Senate, however, is very well equipped to deal with the longer-range, more basic questions which I have tried to touch on very briefly and generally. It is to these questions that I intend to devote most of my attention as chairman of the Foreign Relations Committee.

I intend to do so in a thoroughly nonpartisan way. Let me emphasize nonpartisan, and draw a distinction between it and bipartisan. Bipartisanship has been used too frequently to cloak the absence of a fundamental national agreement and to serve as a sort of synthetic substitute for such agreement. When misused in this fashion it can have several pernicious results. Too many people are given a practical veto over policy. There is an inhibition of the kind of free debate out of which a fundamental national agreement emerges. And finally, policy comes to represent the lowest common denominator.

Nonpartisanship does not mean the absence of debate on foreign policy. It does not mean the absence of criticism of those who are making—or not making—foreign policy. What it means is the absence of debate precipitated and carried on with a view to gaining a partisan advantage. It means the absence of criticism motivated by partisan considerations, the kind of reflex criticism in which a Democrat automatically denounces what a Republican has done, and vice versa. Under nonpartisanship, the opposition party supports or opposes the President on the merits of the policies, or lack of them, which he espouses. It does not oppose simply for the sake of opposition.

Significantly, Senator Vandenberg, who was one of the fathers of bipartisanship, did not like the word. He preferred, instead, unpartisanship or nonpartisanship, and so do I.

I do not think it is possible for a democratic country to have a viable, effective policy unless it is founded on the widest possible public discussion. Debate is a necessary ingredient of policymaking.

Out of this kind of debate, there emerges, over the long term the national sense of values which we must have if we are to hold our own in the world—and I hope we can do very much better than simply to hold our own. When we get a proper sense of values,

we will not go through such agonizing soul-searching in deciding whether we can or cannot afford some of the things which, in my judgment, we must have. Until we do revise our sense of values, we will never think we can afford to do the things which, in my judgment, we must do if we are to survive as a Nation of free people.

The gravest crisis confronting the Western World today is not in Berlin; it is within ourselves.

What the leaders of the Western nations think they cannot afford, wrote an able observer 2 years ago, "is the political courage to demand of their peoples the sacrifices necessary to protect and promote their interests under the condition of atomic peace. In a word: the deficit is political and moral, not economic and financial."

WHAT MAKES U.S. FOREIGN POLICY?

(Address by Senator J. WILLIAM FULBRIGHT at 10th anniversary banquet of the Reporter magazine, Overseas Press Club, New York City, April 16, 1959)

So many things honored in our time are themselves without honor, that it is all the more pleasurable to join the Overseas Press Club as it gives Max Ascoli the recognition that has long been overdue him.

I know that it sounds incongruous to speak of aristocracy in a democracy. Yet in the exact Greek sense of the word—meaning "the best"—it is very much in place to say that the magazine Max Ascoli built in 10 short years has been a stronghold of aristocratic values in our society. Every issue of the Reporter does something to restore discussion itself to the democratic process. Every issue reenacts in language the tremendous fact that the democratic process is a highly exacting, sometimes comic, sometimes dramatic, but always a supremely demanding experience. I often feel that the contributors to this magazine are regularly summoned by Max Ascoli to take an oath of office, reading to this effect: "I do solemnly swear that in the high cause of democracy, I will uphold, defend, and protect the integrity of the word, and that to the best of my ability, I will use words in such ways that they will stand as one with the things they are meant to describe."

Max Ascoli has himself said of the Reporter that it was an "experiment in adult journalism." I would add that it is an experiment in "unadulterated journalism." For its bite is a solid one. It has no pets and no client interests. It is known as a liberal magazine. But it stands just as ready to make war on the clichés and illusions that sometimes crop up in the liberal camp, as it does when a different order of clichés and illusions crop up in the camp of the mossbacks. It is precisely because it is always prepared to call even its natural friends to task, that it stands almost on a plane of its own in our affections. As friend or as critic, it summons all of us to heed the injunction: "Know thyself". And no injunction could be more pointed for those of us here tonight, whose work it is to keep the people informed of the material facts that bear on their life.

Happy birthday, then, to Max Ascoli, to his wife, Marion, and to the staff of the Reporter. May your readers increase. Happy birthday also to the present readers of the Reporter—some 125,000 of them—who would rather shiver in the icy wind of truth than be warmed by a blanket of rose-colored smog.

Still, I have not come here just to praise the Reporter, or, as it were, to bury it with praise. I have something else on my mind, and the occasion being what it is, this seemed to be a good place to say it. I hasten to add, that my remarks will not be in any way sensational. They will disappoint those who want me to invent for this occasion, new solutions to troubles in Berlin, Tibet,

the Middle East, Africa, Southeast Asia, Latin America, the Formosa Straits—or, to bring the matter very close to home, Little Rock, Ark. I feel that we have had quite enough of speechmaking by public men who invent policies on the spur of the moment, from a misplaced sense of duty—the sense that they owe it to the press—or perhaps to themselves—to be the source of new sensations.

Instead, I would like to explore for a bit the question of what makes U.S. foreign policy—a subject, I hope, of some interest to ourselves and our allies.

Now I confess that when I put this question to myself, that when I thought about it a bit, the answer I came up with appeared in Book 11 of St. Augustine's Confessions. There the author raised the question of what God was doing before He created the heaven and the earth. A possible answer, St. Augustine said, was this: "He was creating a hell for people who pry too deep."

Still, despite the measure of truth in this reply, it is worth while to pry into my question, and for two reasons. First, the answer may shed some light on why we do or don't do some things in this or that particular sector of a troubled world. Second, the challenge inherent in my question is not confined exclusively to America. It was raised for all democracies as far back as 1832 by Alexis de Tocqueville when he wrote:

"Foreign politics demand scarcely any of those qualities which are peculiar to a democracy; they require, on the contrary, the perfect use of almost all those in which it is deficient. * * * [A] democracy can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. In cannot combine its measures with secrecy or await their consequences with patience."

These are qualities, he concluded, that more especially belong to a form of social organization where the government is ruled by one man or a handful of men.

How true is this?

The paradoxical, indeed the frightening fact is that de Tocqueville's comment is a great deal more applicable today than it was when he made it.

Consider what happened between 1783, when we won our independence, and 1853, when the Gadsden Purchase rounded out our present continental limits. All of this territory was acquired by power and diplomacy, by a skillful maneuvering through the maze of European politics. And at the same time, we managed—with the help of the British fleet—to protect a whole series of nationalistic revolutions to the south from the unholy intentions of the Holy Alliance.

Moreover, throughout the whole of this process, while much was done by the action of individual Presidents, a great deal was done as a direct result of congressional action or by the direct play of public pressures, rising from a people whose life was being progressively democratized.

The key point is that the conduct of foreign affairs did not appear to be an elite function, limited to specialists in and around the Executive. Neither the electorate nor the Congress was ever overawed by the Executive claim to exclusive knowledge, or its claim that it would be against the national interest to disclose the facts relevant to a foreign policy decision. Foreign policy was debated in remote frontier outposts as well as in seaboard cities, with a shrewdness and a knowledge of great power rivalries that astonishes any modern reader who browses through the records of these debates preserved in our National Archives.

The stakes of foreign policy in those days were both visible and finite. They meant the difference between having a hostile power on our frontier, or not having one. The contrast with our present circumstances is

obvious. The stakes of our foreign policy today are real enough but infinitely more complex. Whereas once upon a time our real national interests were clear and immediate and generally agreed upon, they are so no longer.

They put four hard challenges to the basic workings of our democratic system:

For one thing, if ever the line between domestic and foreign affairs could be drawn, it is now wholly erased. Whether we realize it or not, we can no longer assure ourselves that what we do in one place is unrelated to what we do in a second place; that if we slip domestically, the effect will not be felt abroad—or the other way around. The strength of the American economy, for example, enters directly as a factor in our power to build a versatile military establishment, or to export capital in ways that will contribute to the orderly growth of newly independent peoples. In a reverse view, if those people and their resources, along with those of our European allies should ever be drawn into the Communist orbit, it is difficult to see how we could for long maintain our present economy or, indeed, anything resembling our present way of life.

Second, because America's paramount strength has rested in us the role of leadership for a coalition diplomacy, our executive and legislative organs of government must bear two constituencies in mind. One is the voting constituency from which the chief officers of American Government draw their title of office. The second constituency begins at the 3-mile limit. It is formed by many hundreds of millions of people around the globe who, though they don't cast a single vote in any American election, are vitally affected by the decisions of American lawmakers.

Out of this, there arises a recurrent dilemma. In the event of a conflict of interest between the two constituencies, which one should have a prior claim on the support of the American lawmaker? If the prior claim is that of his nonvoting constituency, then he risks a repudiation by American voters. If the prior claim is that of his voting constituency, then he risks the loss of trust by the nonvoting constituency—whose support he must have if he is to attain what both constituencies want above all other things, namely, the conditions for a just peace.

Third, the very process of coalition diplomacy tends to exercise a gravitational pull that centers the business in the hands of the Executive, and downgrades the role of the Congress and the electorate as direct parties to the affair. For the Congress is simply not structurally equipped to deal simultaneously with all the day to day problems of coalition diplomacy. And the people, for their part are even less well equipped to follow the intricate twists and turns of any contemporary diplomatic transaction.

The fourth difference between the past and present represents so great an intensification of the old problem of amateur-expert relations in government, as to constitute an almost new problem. What I have in mind here, is the fact that many of our leading questions of foreign affairs nowadays, are entwined with infinitely complicated scientific and technological questions. For example, should we or should we not stop the testing of the hydrogen bomb? Should we put more or less effort into missile-launching submarines or into the support of allied armies? You can search all the great treatises on the American polity from the Federalist papers on forward, and they will not give you a single clue to the right answer. Even that second great source of popular doctrine, "Poor Richard's Almanac," which is so much evoked today, also falls in this respect.

Public ignorance on these new-style political-scientific-military questions is widespread, to put it mildly, and reaches into

high places, including the U.S. Senate. It is matched by the respect and awe we hold for the expert practitioners of these new arts—a respect which we do not accord experts in other fields. The economists of this country rarely, if ever, agree on precisely the monetary policy to be followed by the Federal Reserve Board. But this does not in the least inhibit people who don't know the difference between Adam Smith and John Maynard Keynes from expressing the most profound judgments on the matter. Yet these same people are quite willing to leave vastly more important questions to a handful of scientists and military strategists who sharply disagree among themselves.

One reason for this paradox, I suggest, is that whereas the economists carry on their disputes in public, what the military scientists have to say is funneled almost exclusively to the executive, where the cutoff stamp of top secret comes into play. But what is cut off simultaneously, is any real power by the people or the Congress to judge whether the agents of the Executive acted wisely or not on the basis of the word they alone were privileged to hear.

All these new challenges work in their own way to give a new sense of awesome relevance to what De Tocqueville had to say about the inherent difficulties a democracy faces in the conduct of contemporary foreign politics.

There is one more difficulty that deserves mention for it arises, paradoxically, from the effort of a democracy to respond to the new challenge. It has to do with the very nature of bipartisanship—in theory an instrument of national unity but more often in recent practice a gag on legitimate discussion. Time and again we have lately found ourselves in situations where the Executive, consulting itself, has announced a policy. Whereupon the cry goes out that it cannot be debated, since this would show the world that we are divided. What we must do, instead, is to swallow our doubts about the wisdom of the policy. We must rally to the Executive in a great show of national unity. Nor does the matter end there. Later on, when the doubtful wisdom of the policy becomes apparent in the formidable world of actual practice, the members of the opposition party are again silenced. For if they raise their voice, they invite the rebuke: "You voted for that policy when it was sent down here to the Congress. Why are you squawking about it now?"

I am not implying that anything and everything ought to be fair game for partisan politics. Far from it.

Foreign policy ought in fact to be non-partisan or unpartisan—words which the late Senator Vandenberg preferred to bipartisan. Nonpartisanship means that policies are criticized and debated on their merits, not in a partisan electioneering context.

I would add but one more footnote to this. From what I have been able to judge of America's European allies, the thing they fear most is not a healthy debate conducted by Americans on foreign affairs issues. Their greater fears arise over precipitate announcements of foreign policy which neither Congress nor the country has properly considered.

If the difficulties I have been considering seem more acute in their American context, it is only because the blinding light of attention is focused on America in its role as the mainstay of the Western coalition. But if we shift the spotlight to any of the other leading democracies in this coalition, we get the impression of a single image repeating itself in various degrees, like an object seen in a hall of mirrors.

Today, for example, Europe is caught in the crisis for which the word "Berlin" stands as the graphic symbol. Each nation there looks at its neighbor, and all look at the United States with a sense of wonder whether all will stand together or fall separately in the

event the Soviets mean to breach the peace. Yet on the occasion of the 10th anniversary of NATO recently observed in Washington, I asked myself why it was so necessary for one member after another to assure all the rest that he could be trusted to carry out the purpose of NATO? I asked myself why the speech given by Acting Secretary of State Christian Herter—the speech in which he merely repeated America's 10-year-old commitment to honor its NATO obligations—should have been considered the highlight of the anniversary? And I also wondered why the crisis over Berlin should have so menacing a face, and should have led to an uneasy feeling, which has even been voiced in some quarters, that we have already been defeated on the ground by the Soviets?

By any arithmetic test of potential strength, it is we who should be giving the Soviets sleepless nights and not the other way around. For if the population and the industrial resources of Europe and the United States were really mobilized to act in concert; and if that strength was translated into a military dimension, the aggregate would exceed by far anything the Soviets could muster in the foreseeable future. Think of it. The United States and its NATO allies constitute 433 million people organized in a highly industrialized power complex. The Soviet Union, with its problematic allies in Eastern Europe, can muster only 300 millions. Yet here we are, frightened by the present preponderance of the Soviet strength in conventional arms; and frightened also by the all too exact knowledge that a resort to nuclear arms under conditions of nuclear parity, might result in a dead Europe instead of the live one we all want to preserve.

How have we arrived at this incongruous position? Sometimes I wonder if we have correctly assessed the changed situation that now confronts us. It is true that at the end of the Second World War there may have been opportunity for choice in the methods of our foreign policy. By cold logic we could have taken the imperialist course. We had a monopoly of nuclear weapons. Indeed, we had shown that we were prepared to use them. It is conceivable that we could have pressed this temporary advantage to impose a dictated peace upon the Soviets, forcing their withdrawal within the Soviet perimeter. Instead we chose not to use the nuclear weapon as an instrument of policy, but to work in consort with our allies to build what we hoped would be a more durable peace.

Whatever the choices of the past, today we no longer have any choice. Today the nuclear weapon has no utility as an instrument of foreign policy. It cannot attain the objectives which lie beyond war. It can only ring down the last act curtain for us and our enemies alike.

Then why are we so tentatively committed to the only course that lies open to us? Why do we hesitate before the commitments of manpower and resources that can preserve the balance for the West? Why do we appear listless before a challenge that is so obviously demanding of our greatest energies?

Take the area of military strategy alone. Even before the Soviets attained their present nuclear position, it was perfectly apparent that our own atomic superiority was not a substitute for conventional forces. It was wholly clear that placing our entire reliance on these weapons would one day confront us with the choice of blowing up the world simply to contain the sort of probing operation the Russians use to test our will.

The founders of NATO realize this. Their first plans called for 90-plus divisions. And yet, as the countries of NATO have steadily prospered, their concept of what they can afford to do has steadily narrowed.

What has been missing is not the material capacity to support adequate conventional forces, but the will to do so. Our spirit, on both sides of the Atlantic, has gone soft.

Is it not ironical that the blaze of selfless idealism burned brightest in Europe and in America when the havoc of World War II still met the eye at every turn? In that hour, as I recall it, the cry went out from the best spirits among the victors and the vanquished alike for a new sense of fraternity, and for an end to the national divisions that twice led the flower of European youth to the slaughterhouse. The best spirits of Europe, as I recall, wanted to stand as one family, respecting the cultural diversity of their individual members, but united in the pursuit of a political destiny sought in common by all members.

And is it not ironical that as the rubble was swept from the streets of Europe; and as the signs of a progressively expanding prosperity rose where rubble once had been, the visions of a Europe twice united—within itself, and with its North American offshoot—grew progressively more cloudy? Here was a cause that should have enlisted the concentrated and sustained energies of the leaders and the led on both sides of the Atlantic. Instead, European leaders, fully as much as American leaders, began to think in terms of their voting constituencies, at the expense of their nonvoting constituencies. I deeply regret the recent recriminations between two of our chief NATO allies—recriminations that have been echoed all out of proportion in the popular press. Their differences, I suspect, arise not so much over substantive issues as over a sense of frustration at the lack of an energizing force that will give life to our alliances.

Now it is not my purpose, as the saying goes, to be a prophet of doom and gloom. I am merely saying that the choice facing European democracies was and is just this: Federate or perish. And the task facing America is to so conduct itself, that it will help nurture those tentative roots toward federation like Euratom and the Common Market that have managed to take hold—to nurture them with the object of creating a real European Union. Beyond that, our purpose must be to bring into being that system of interlocking commonwealths—to use Max Ascoli's apt phrase—that can bolster our security.

I know all about the vetoes practical men stand ready to catalog. I heard them in 1945, and the list has not changed one bit today. The only thing that has changed is the urgency of ignoring what practical men have to say. The march of history is fast outstripping us. Europe and America have enormous resources for survival, indeed for the mastery of any challenge hurled our way by the Soviets. But those resources will not be mobilized, they will remain in their present state of disarray, until public men and the public on both sides of the Atlantic fit those resources into a grand design for closer union. In striving to bring this design to pass in our own time, we may make mistakes; but in striving, we may find our salvation. If we do not strive for it at all, our epitaph will read: "They chose to stand still, and so were lost forever."

[From the Washington Post, Apr. 17, 1959]

NONPARTISAN FOREIGN POLICY

Senator FULBRIGHT has nicely dissected a sacred cow in discussion of foreign affairs. In his address yesterday to the American Society of Newspaper Editors, the new chairman of the Senate Foreign Relations Committee punctured the notion that bipartisanship is the desirable objective in congressional consideration of foreign policy. Rather, said the Arkansas Senator, there ought to be non-partisan evaluation and criticism, meaning honest appraisal without thought of partisan advantage.

This has long needed to be said. True bipartisanship is difficult in a system of divided powers, and almost impossible when the political control of Congress is different from

that of the executive branch, which has the responsibility for initiating and executing policy. Too often the ritualistic slogan of bipartisanship has been invoked to quell misgivings, muzzle criticism of mistakes or reduce matters to the lowest common denominator so as to satisfy all but the most extreme elements in either party. This is a semantic perversion of the purpose of consultation.

Whichever party is in control, thoughtful discussion—of existing assumptions as well as new positions—is essential to obtain wholehearted support. The lesson is as applicable to the Democrats as to the Republicans. It means, not license for interminable harangue, but a chance to talk out such issues as Quemoy or Berlin freely, without any inhibition that such discussion will be rocking the boat. As Mr. FULBRIGHT noted, the late Senator Vandenberg, who is often credited as the father of bipartisan foreign policy, preferred the word "nonpartisan." In 1950 Mr. Vandenberg gave a lucid description of what he meant as "a mutual effort, under our indispensable two-party system, to unite our official voice at the water's edge so that America speaks with maximum authority against those who would divide and conquer us and the free world. It does not involve the remotest surrender of free debate in determining our position. On the contrary, frank cooperation and free debate are indispensable to our ultimate unity. In a word, it simply seeks national security ahead of partisan advantage. Every foreign policy must be totally debated and the 'loyal opposition' is under special obligation to see that this occurs."

For the remainder, it is good to know that as chairman Mr. FULBRIGHT intends to focus on the long-range problem of adjustment of American policy and responsibility to the needs of an age of revolution and challenge from the Soviet Union, with especial emphasis on defining national interests and values. Others have spoken similarly of the need to put "less steel into tail fins and more into school construction," but the importance of this kind of philosophical maturity cannot be overstated. We think Mr. FULBRIGHT is entirely right.

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

Mr. MANSFIELD. I am delighted to yield.

Mr. BUSH. I should like to say that the address to which the Senator from Montana has referred, delivered by the Senator from Arkansas [Mr. FULBRIGHT], before the American Society of Newspaper Editors, was, in my view, excellent. It contained some fine philosophy. I certainly commend it to all Senators for reading. I hope people throughout the United States will read it and realize the truth of what the distinguished Senator from Arkansas has said about what we have got to do if we are really going to face up to our responsibilities, as a world power, in this very dangerous day.

I commend the Senator from Arkansas highly for that speech. The speech was realistic. Often we fail to come to grips with problems which lie closer to home than we like to admit. I commend the Senator for his splendid address.

Mr. MANSFIELD. I appreciate what the Senator from Connecticut has said. I am sure the remarks he has made in support of the statement of the chairman of the Committee on Foreign Relations, which will be incorporated in the RECORD, will carry great weight, not only in the Senate, but throughout the country as well.

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

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

Mr. FULBRIGHT. I wish to express my appreciation to the Senator from Montana for his remarks and his action in inserting the two items in the RECORD, and also to the Senator from Connecticut for the kind remarks he has made. There is no one I would rather hear make such remarks than the senior Senator from Connecticut.

Mr. President—
The PRESIDING OFFICER. The Senator from Arkansas.

PERSONAL STATEMENT BY SENATOR FULBRIGHT—NOMINATION OF MRS. CLARE BOOTHE LUCE AS AMBASSADOR TO BRAZIL

Mr. FULBRIGHT. Mr. President, I rise to a point of personal privilege, and should like to address myself to it for a few moments.

I regret I was not on the Senate floor yesterday when the junior Senator from Arizona [Mr. GOLDWATER] criticized—unfairly, in my opinion—the conduct of the Committee on Foreign Relations, and particularly of myself and the senior Senator from Oregon [Mr. MORSE], in regard to the hearing on the nomination of Mrs. Clare Boothe Luce to be Ambassador to Brazil. I had received no notice that the Senator from Arizona intended to make the remarks which appear on page 6087 of the RECORD.

I may say I sent notice earlier this morning to the office of the Senator from Arizona, stating I would reply to his criticism; but I have been informed he is out of town, which I regret.

The Senator from Arizona said:

The senior Senator from Oregon and the junior Senator from Arkansas, who were leaders in the fight against the late Senator McCarthy, engage in what I believe to be the same tactics they accused Senator McCarthy of using.

Mr. President, I resent this comparison of the conduct of the Foreign Relations Committee with the behavior of McCarthy. This raises a very fundamental point; namely, the difference between legitimate criticism of a person's policies and an attack on his motives and his loyalty to his country. The junior Senator from Arizona fails to understand this distinction, just as the late Senator from Wisconsin failed to understand it.

The Senator from Arizona also questioned the pertinence of the inquiries directed to Mrs. Luce. They were, he said, "more in the nature of a political field day than in the nature of determining this lady's qualifications." This statement indicates the Senator fails to understand the nature of the qualifications an Ambassador should have.

The statements about which Mrs. Luce was questioned are directly relevant to the point of her judgment and objectivity. She herself admitted that the language she had used was "very intemperate" and that it was the kind of language "which good taste would prevent or should prevent the private citizen

from using." It is quite clear to me—I regret it is not so clear to the Senator from Arizona—that temperateness and good taste are relevant to the qualifications of an Ambassador.

Finally, the Senator from Arizona declared that Mrs. Luce's services as Ambassador to Italy "have never been questioned, to my knowledge." Let me expand the realm of the Senator's knowledge. I ask unanimous consent that there be inserted in the RECORD at this point an article from the Reporter magazine of February 23, 1956, entitled "The Lady of Villa Taverna." I also ask that there be inserted an article from the same magazine of April 2, 1959, entitled "Instead of Orchids."

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

[From the Reporter Magazine, Feb. 23, 1956]

THE LADY OF VILLA TAVERNA

(By Claire Sterling and Max Ascoli)

Clare Boothe Luce, U.S. Ambassador to Italy for 3 years, will soon be coming home. She will be returning with the glow of success that usually surrounds this remarkable woman to face a public that has heard more about her than any ambassador in recent American history. She has frequently complained, during these 3 years, that Americans have been told too much about her and not enough, that she has been written about almost always as a woman, rarely as a serious diplomat. Since it is on her record as a diplomat that the public may soon be asked to judge her—for a Senatorship, a Cabinet post, possibly even the Republican Vice Presidential nomination—an account of that record is given here.

THE HARD WAY

The new ambassador got the full Neapolitan treatment for visiting celebrities when she stepped off the gangplank on April 22, 1953—flowers, guitars, boisterous crowds cheering under the warm sun of Naples. The Italian Foreign Ministry gave her an unctuous welcome in Rome. But it was no secret that the Italians resented her appointment.

What bothered the Italians was not simply that she was a woman. Accomplished as she was in many ways, everybody knew that she was coming to Italy not because she was peculiarly qualified for the post but because her husband had contributed powerfully to General Eisenhower's nomination and election.

The appointment, it is said, had been offered first to Henry Luce himself. If he turned it down in favor of his wife, the decision was reached after both had carefully considered her handicaps, which were many. Among them was the fact that she was his wife. While some Italians might cherish the prospect that the three big Luce magazines would acquire a vested interest in featuring Italy, many had qualms. "Luce once adopted China," a reporter in Italy remarked, "and look what happened to China." Apart from that, Mrs. Luce was beautiful—beautiful enough, even at the age of 50, to infuriate other women and embarrass her diplomatic colleagues. It might have been different had she looked like Gertrude Stein.

Also, she was a recently converted Catholic, too unrelaxed for Italy's ancient, comfortable Catholicism, too combative for a population which, if Catholic in religion, has a long tradition of anticlericalism in politics. She was an easy target for the Communists: rich, Republican, well known in leftist circles for "hating communism with an African passion," as Pravda put it—this in a country whose Communist strength represents one-quarter of the voters.

She was to find other handicaps as she went along. Her sharp tongue and wit did not suit her temperamentally for a diplomatic world peopled by the stuffed shirts she had once lampooned in a popular book of that name. Moreover, if she was untrained as a diplomat, she was well trained as a journalist. For a journalist, news has no value until it is published, while for a diplomat it is the other way around. Mrs. Luce is annoyed by the charge that she talks too much. "I don't really talk too much," she says, "but I'm widely misquoted." (Nevertheless, she has talked too much.) Furthermore, her appointment was political in intent as well as origin. Where a professional ambassador might have no greater dream than a bigger and better ambassadorship, her ambition has been frankly to "dramatize the dynamic new Eisenhower administration."

FROM THE MOMENT SHE ARRIVED

She has worked enormously hard, driven, as always, by a determination to prove herself on a man's level. "I come from a world," she had Miriam say in her celebrated Broadway hit, "The Women," "where a woman's got to come out on top—or it's just too damned bad."

She has filled 43 bound volumes with press clippings, some favorable, others not, but all testifying to her tireless energy. She has traveled thousands of miles up and down the peninsula, posed for thousands of photographs, made hundreds of speeches, and entertained almost everybody—not everybody, unfortunately—in the handsome Renaissance residence, Villa Taverna, provided by the U.S. Government. In her first year, more than 7,000 people signed the Villa Taverna's guest book; and during 1955 alone, she received several hundred Members of Congress. (Some might have driven her to despair if they had not provided her with priceless stories for conversational use. One wanted to know how Garibaldi got his elephants across the Alps, another what the Russians were doing behind the Urals, while a third once instructed her secretary to "Call me a plane.")

At times her sense of public relations has been superb. When an Italian LAI plane crashed at Idlewild a few days before she was to go home on leave, she canceled her flight with an American line and booked with LAI. When Prime Minister Alcide De Gasperi died in 1954, she rushed back from a summer vacation in the States for the funeral, causing the British Ambassador grudgingly to do likewise. When the Amalfi coast was struck by a flash flood, she flew to the scene to make a round of the hospitals, beating the President of the Republic by 24 hours.

Millions of Italians have come to know and admire her for these activities. But all this proves how vigorously she has applied herself to her ambassadorial job, not how successful she has been at it.

THE BOLT HAD BEEN SHOT

Mrs. Luce started out without the biggest advantage her predecessors had had; she could not promise the Italians much money. Where the United States had given Italy \$2.8 billion in direct economic aid before she came, Italy got a net of \$105 million in fiscal 1954, \$45 million in 1955, and \$5 million in the first quarter of 1956; and where mutual defense assistance offshore-procurement contracts had reached a total of \$383 million during her first summer, they had slackened off to \$91 million the next year, and \$39.5 million the year after.

In effect, this meant a fast passage from proconsular to interlarded diplomacy between two nations that in various degrees needed each other. More precisely, it meant trying to convince the Italians, using other means of persuasion than money, to do what the State Department was anxious for them to do: attain political and economic stability,

support the Atlantic Alliance and the European Defense Community, roll back the biggest Communist Party this side of the Iron Curtain. Since most government leaders were already at least verbally inclined to do these things, it meant keeping them on the right path by exerting a discreet influence in Parliament and among the voters. Quite an undertaking for even a seasoned politician-diplomat, irrespective of sex.

THE 1953 ELECTIONS

She began badly. A month after her arrival and 2 weeks before the difficult elections of June 7, 1953, the Communist newspaper *L'Unità* triumphantly caught her giving out crucifixes to a group of southern peasants during the inauguration of a land-reform village called La Martella. Crucifixes are customarily distributed in Italy on such occasions, but not by a U.S. Ambassador. A week later she got into worse trouble by saying publicly in Milan that any electoral victory for the extreme right or left would have "grave consequences for the intimate and friendly cooperation between Italy and the United States." Several Italian and American newspapers claimed later that the speech cost the center parties the election.

The charge was unfair. In saying what everyone knew, she probably did not change many votes, let alone the 57,600 by which the government coalition fell short of the total necessary to get the bonus seats the recent election law provided for. But the speech hurt her personally. She was making her maiden address as Ambassador, at a decisive moment in Italian politics, in the most politically literate city in Italy, before people who were waiting for her to fall on her face. (She told an Italian paper recently that she had not written the speech herself and that of the two aides who did, one is now stationed in Singapore and the other in South Korea. The disclosure may help explain away her first big mistake; it has not improved her staff relations.)

The elections that June opened a difficult era in Italy. Under De Gasperi's leadership for the 5 preceding years, the Christian Democrats and their minor partners—Republicans, Social Democrats, Liberals—had governed with a safe majority and comparative stability. After June 7, the center coalition had a margin of 16 seats in the Chamber of Deputies. On the left there was a bloc of 143 Communists and 75 leftwing Socialists. On the right there were 40 Monarchists and 29 Neo-Fascists. Short of holding new elections, which, as De Gasperi said, were "absolutely necessary and utterly impossible," the center parties had a choice of trying to carry on as they were or making a deal with either the left or right. While the politicians debated the question, the country had four different Prime Ministers within 8 months.

The idea of moving to the right, if not all the way to the Fascists then at least as far as their Monarchist allies, was being pushed hard during those months by several influential Italians: Luigi Gedda of Catholic Action; Don Luigi Sturzo, founder of the first Catholic popular party; Giuseppe Pella, who headed a Christian Democratic caretaker Cabinet at the time. The conclusion that a coalition of the right—even eventually leading to some sort of constitutional monarchy—would turn popular opinion toward the left was finally reached by the most influential Christian Democratic leaders.

But not by the American Ambassador. She had made up her mind: Only by enlisting the Monarchists and strengthening the right wing of the Christian Democratic Party could Italy ever have a strong, stable government.

Although a newcomer to Italy, Mrs. Luce was neither unsympathetic nor unfamiliar with the outlook of the right. But she only

knew the political right in her own country, the Republican Party that had just returned to power, and she had little notion of how weak, Bourbonic, and thoroughly unpopular the Italian right is. It is a haven not only for groups of jittery businessmen and landowners but also for unregenerate feudal barons, as well as former Fascist goons, crackpot young bombthrowers, fetish worshippers who once kidnaped Mussolini's corpse, and sophomoric nationalists who want to retrace the late Duce's military steps over the long African route to Ethiopia. Incidentally, it also includes many who despise Britain and hate the United States.

The Ambassador may not have liked all these people—her anti-Mussolini record was clearly established before the war—but she could never understand why the same reason of expediency that brought the United States to accept Franco as an ally could not apply also to Italian internal politics. Indeed, she had only scorn for those Italian Democrats—and there are many of them—who, if forced to choose between the right and the Communist left, would not hesitate to choose the Communists. Nor could she make out why the mere fact that she dealt with even the least objectionable rightists would render her objectionable herself. Mrs. Luce believed that only a firm anchorage to the right could stop the drift of Italian politics.

DULLES' FOOT

It was primarily in the hope of winning the rightist-nationalist support that Mrs. Luce worked so strenuously all during the summer of 1953 to get a settlement in Trieste. Italy's quarrel with Yugoslavia over this tiny free territory had offered both right and left a chance to discredit the Christian Democrats' Western-minded regime. If Italy were to get at least zone A, which included the port of Trieste, so she argued, the monarchists might be induced to rally around Pella's government.

The solution was announced on October 8, 1953, in the form of a joint American-British declaration giving zone A to Italy and zone B to Yugoslavia. It came after Mrs. Luce had wrangled with the British for months and gone over the State Department's head by sending her husband to the White House 3 days earlier. (The Secretary of State, more interested in Tito's military strength than Italy's political weakness, had said only a month earlier that he was openminded about alternatives to the Big Three's 1948 pledge to give Italy all of Trieste. As Mrs. Luce was to observe after several similar experiences, "Every time I open my mouth, Dulles puts his foot in it.")

The plan might have worked if Marshal Tito had not been left in the dark about it—because of American impatience to make the announcement, according to the British; because of a deliberate British oversight, according to our Ambassador. As it was, Tito moved his troops up to the zone A border and threatened war; Italy replied with angry demonstrations in nearly all its major cities; in Trieste itself, rioting left six dead. It was not until a year later, after Pella had fallen and Mr. Dulles had sent Robert D. Murphy as a special emissary to Rome and Belgrade, that a solution much like the original one was accepted by both sides.

Opinions differ as to how much credit Mrs. Luce deserves for this settlement. There are those, among them the authoritative *Corriere della Sera* of Milan, who give her most of the credit for the belated agreement. "No one will ever know," said the *Corriere* when the Italian flag went up over Trieste, "how much Italy owes to this fragile blonde creature." Others, including members of her staff, say that the settlement had been maturing for some years and that the October 8 declaration delayed it, if any-thing.

Whoever is right, Trieste did not bring the results she had hoped for. In fact, the end of the Trieste crisis deflated the nationalist boom, and from then on the rightists started losing ground. Even before the settlement came, Pella, who was thriving on that boom, had gone so far to the right that all of Italy's democratic forces compelled him to resign. For two things are clear about Italian post-war politics: First, the trend is to the left although not necessarily to the Communist left; second, all attempts to consolidate the right have failed. Unfortunately, the U.S. Ambassador could never quite manage to recognize the leftward trend of Italian politics and come to terms with it.

DIPLOMACY BY PRESS LEAKAGES

It had been a bumpy 8 months for the Ambassador when she came home for her first Christmas holiday, and the stories in the American press soon after she arrived led her into even greater trouble. On January 7, 1954, the New York Herald Tribune reported that the Italian Christian Democrats had actually won the bonus seats in the June elections, as revealed by a recount of most of the million voided ballots. It claimed the Rome politicians would publicly deny the facts, went on to question the constitutionality of all Italian Cabinets since that election, and declared that "Italy is now undergoing a dangerous political crisis which need never have happened." The same story, more or less embroidered with the notion that the Communists would take over in 2 or 3 years, was carried by nearly every major American newspaper, several syndicated columns, *Newsweek* and *Time* over the next few weeks, with particular emphasis on the recount (though no recount has been completed, or officially reported.)

There could be no question about the source. Mrs. Luce herself told a press conference in New York that the "democratic and republican forces" in Italy could still stop the Communist Party "when and if they want to," thereby attributing to Italian statesmen like De Gasperi a lack both of vision and of will.

(Almost 3 months later, Mrs. Luce was accused of having inspired all these stories by the progovernment Italian weekly *L'Europeo*, which published a purported account of her off-the-record talk with Washington correspondents at the Hotel Mayflower on January 5. She denied the account.)

It is hard to see what Mrs. Luce expected to gain from her alarmist campaign. *La Stampa* described it as a "shock tactic * * * needed by the U.S. Republicans for the forthcoming election" of 1954, and it may have served that purpose. In Italy, however, it caused bedlam. Assuming it were true, for instance, that the Christian Democrats had really won the majority necessary for the bonus seats—a claim never proved—what would they have gotten by holding a complete recount and claiming victory? Probably a civil war, since nothing less would be likely to unseat some 63 leftist Deputies in Parliament at that late date. Assuming also that the Communists were on the verge of power and the center parties were too flabby to hold them back, who would have been likely to gain by the Ambassador's revelations? Only the Communists. Certainly not the Christian Democrats, who, even as Mrs. Luce was talking at the Mayflower, were trying desperately to find a way out of the crisis brought about by Pella's fall.

Pella's resignation caused Mrs. Luce to cut her holiday short by 10 days and return to Rome. Shortly afterward, she invited leaders of the Republican, Social Democratic, Liberal, and Monarchist Parties to Villa Taverna for separate talks on the crisis. She had evidently hoped to line up these parties behind the new Christian Democratic candidate of the Premiership, Interior Minister Amintore Fanfani. The effort not only failed but exposed her to unprecedented attack,

since consultations of this kind are the prerogative of the Italian Chief of State. The Communist leader, Palmiro Togliatti, described Mrs. Luce suavely in Parliament as an "old lady who brings bad luck to everything she touches."

While all this was going on, the New York Times broke the story that the United States had authorized its Ambassador to Italy to cancel all offshore procurement contracts with plants where Communist workers were in the majority, which was the case in most big Italian factories at the time. The announcement caused a furor. A spokesman for CISL, the predominantly Catholic labor federation, described the policy as "brutal blackmail"; the secretary of the other anti-Communist federation, UIL, added, "The point is not to punish workers by denying them work but to encourage them by providing it."

By the time Mario Scelba was confirmed as Prime Minister at the beginning of March 1954, Italo-American relations were scraping bottom. Mrs. Luce had no confidence in the center coalition that Scelba had pulled together again, and Italian politicians were criticizing her so openly that the State Department was reported by one press association as wondering "whether it is in the United States interest to have an Ambassador who is the object of so much public debate."

SCELBA WILL DO

The Scelba experiment, however, opened a better year for Mrs. Luce. With only the most lukewarm support from his own party, Scelba needed a friend badly, and the anti-Communist program he announced the month he became Premier met most of the objections Mrs. Luce had been raising all winter. His cabinet, he said, would crack down on the Communists in the civil service, throw them out of the Government-owned buildings and printing plants, prosecute them for slandering the Government, and curb the Communist-owned or controlled export firms that were trading with Red China. Since the Communists were too solidly embedded in Italy to be dug out so easily, only the easiest parts of this program were ever carried out. But as a token of intentions, the effort was appreciated in our Embassy. Slowly Scelba was gaining favor.

There were other onslaughts against the Communists during that year, which, to say the least, did not displease the Embassy. Prominent among them was a movement called Pace e Libertà (peace and liberty), led by Edgardo Sogno, a Foreign Office official who had been a hero of the resistance. The movement's purpose, as Sogno told the readers of his magazine, was to rally Italians around a national anti-Communist front, and it pursued this aim by publishing a string of shocking revelations about top Communist leaders, offering documentary evidence that many of them were once informers for Mussolini, that party bureaucrats rode to work in expensive custom-built cars, and that Togliatti, among others, kept a concubine draped in costly furs and jewels. The movement, which for a while was quite lively, has now petered out. As Ignazio Silone said: "The question isn't whether party leaders are scoundrels, but whether they are capable and effective scoundrels."

This question reveals why the Communist Party started to show the first signs of an erosion that is still going on. Mrs. Luce feels, and some people agree with her, that the psychological atmosphere created by Scelba, Sogno, and the American Embassy in 1954 was a major factor leading to the Communists' loss of Fiat in March 1955 and most big northern factories thereafter. While all three may have played some part, none of them could even remotely be compared to the part played by the Communists' own leaders, who had pressed too many workers too long to go out on too many protest strikes in obedience to Cominform diktats.

This is not to say that the offshore procurement policy, one of the Ambassador's most publicized endeavors at home, was insignificant. While anti-Communist union leaders have disowned the policy and still don't like it, they admit privately now that by canceling \$25 million worth of contracts in two Communist-dominated plants the United States persuaded thousands of Italian workers to vote against the Communist-controlled CGIL (General Confederation of Italian Labor) in order to keep their jobs. Nobody will know until the next elections whether or not the political opinions of these workers have changed.

The ratification early in 1955 of the Paris pacts that replaced the ill-fated EDC was a genuine victory for Mrs. Luce, though it is hardly imaginable that Italy could have held out alone. But the really major achievement of the American Embassy was to have kept Mario Scelba in office 15 months. (One of the more painful things Mrs. Luce has suffered is the ingratitude of the politicians whom sooner or later she has come to befriend. If the Ambassador had not gone far beyond the call of duty to prop him up, Scelba would have fallen months before he did; yet he says now that "after all, a male Ambassador would have been better.")

Scelba's trip to Washington surely contributed to prolong his tenure in office. The invitation was extracted from a State Department made reluctant by its awareness that Scelba's cabinet was beginning to spring leaks at every seam. But there was not even a hint of the irrepressible crisis in the American press when the Ambassador started home after Christmas. There has been "a remarkable improvement in the Italian picture" she told reporters. "Now there is a stable government * * * Italy has clarified its whole situation." Three months later, on the eve of Scelba's departure for the United States, he was to be humiliated by the proposal of a parliamentary injunction to limit his actions in the United States, forcing a ninth vote of confidence.

THE OIL LURE

The problem of Italian oil had become a stormy political issue by that time. Promising deposits had been found, first in Sicily, then in the Abruzzi, and an antiquated Fascist law still on the books was keeping most of the oil underground. The draft of a new law, written several years earlier by lawyers of American oil concerns in collaboration with the then Minister of Industry, Malvestiti, which offered considerable advantages to foreign companies, had been bottled up in parliamentary committee; and the group opposing it, led by the head of the state natural-gas monopoly, Enrico Mattel, was becoming stronger with every new sign that the deposits were very substantial indeed.

The American oil companies quarrel with Mattel had taken an ugly turn that summer when Fortune magazine, followed later by Time, pointed a finger at him as the biggest single obstacle to large-scale American investment in Italy. Apart from the merits of the case—and there were many on both sides—the fact that the publisher of Fortune and Time was also the U.S. Ambassador's consort led many Italians to consider this as semi-official American pressure. They were already suspicious because of persistent rumors leaking from Government headquarters to the effect that the State Department was holding out on any further financial aid to Italy "until this oil business is settled."

Then Mrs. Luce herself entered the picture. Her first statement in the New York Times in January 1955 did not attract much notice. She repeated it in essence a few weeks later, however, in an interview given to Il Globo, the financial daily owned by Confindustria (the Confederation of Italian Manufacturers). Pointing out that "capit-

tal comes where the profit is greatest," and that "political security is associated with economic convenience," she went on to say: "Much depends on the oil policy of the Italian Government. It is known that oil investments are a good index of the security and profitable nature of the market. Many private companies can be led to invest their capital here if they see the oil companies doing it."

Her interview brought the long-smoldering dispute to an uproarious blaze. Shortly thereafter the Socialist Party introduced a motion in Parliament requiring Scelba's pledge that he would not discuss oil on his American visit. The motion did not pass. But the Christian Democrats forced the Premier to give Parliament a moral commitment along the same lines. What Scelba talked about in Washington is still, and probably will remain forever, a deep secret, but certainly he kept mum about oil.

As everybody in Italy knew, Scelba had gone to Washington mostly for the ride. He brought back the promise of 10 tons of heavy water for atomic experiment, a routine agreement ending double taxation of American businesses in Italy and vice versa, five honorary degrees, and a model of the Empire State Building in silver. But that was not enough to bring him past the last deadline his party had set; the election of a new chief of state.

THE GRONCHI ENIGMA

The election of Giovanni Gronchi as President of the Republic at the end of last April was the final blow for Scelba, and Mrs. Luce's most bitter personal defeat. As a left-wing Christian Democrat and an uncompromising enemy of Scelba and Fanfani, Gronchi was opposed vigorously by both, and it was partly but not exclusively because these two men opposed him that more than a hundred disaffected Christian Democratic Members of Parliament joined in a weird coalition with the Right and extreme Left to elect him.

Mrs. Luce, who had met Gronchi only once, considered him a pro-Communist who would steer Italy toward a neutralist foreign policy and bring the fellow-traveling Nenni Socialists into the Government. Only from his behavior in office will we ever learn whether, or to what extent, Mrs. Luce's judgment was correct. But certainly her behavior during the presidential contest can scarcely be called correct or wise. The American correspondents who were summoned to lunch at Villa Taverna the day before the fourth and final ballot came away thoroughly persuaded that Gronchi's election would mean disaster.

The same conviction was expressed by Lodovico Benvenuti, then Under Secretary for Foreign Affairs, on whom the Ambassador had evidently borne down with all the influence of the Government she represented. Before the fourth ballot, Benvenuti told a packed and riotous Christian Democratic caucus that Gronchi's election "would end a 10-year friendship with the United States and force the State Department to review Italy's role in the whole network of European defense." An angry roar answered him and on the fourth ballot Gronchi was elected. A prominent Cabinet minister called Gronchi's election "the American Embassy's masterpiece."

The Ambassador was in the diplomatic gallery when the vote on the final ballot was being counted. As it became apparent that Gronchi had won, but before the result was announced, she walked out.

It was 3 weeks before Mrs. Luce paid her first courtesy call on the new President—the British Ambassador had made his the day after the election. In the meantime, the American press showed how deeply her apprehension had affected U.S. reports from Italy. On May 17, the New York Times in a dispatch from Rome said: "Recent political

developments in Italy have convinced U.S. military authorities of the need for a review of Italy's position regarding the West, particularly NATO. * * * The dispatch added: "Doubts about Italy's present attitude have been created by the election of Giovanni Gronchi * * * and by events since. President Gronchi has always inclined toward neutralism and never shown any enthusiasm for the Atlantic Alliance. * * * In his inaugural speech he made no secret of his belief that room should be made in the Government for fellow-traveling leftwing Socialists if not for the Communists themselves." There were not quotes to back up this statement.

On the same day and in the same paper, however, a dispatch from Washington said: "Officials of the State Department * * * saw no particular need for a review of U.S. policy toward Italy"; and the same dispatch quoted a Pentagon spokesman as saying "he had heard nothing suggesting [such] a review."

Several more weeks were to pass before the Times' and other papers' Rome correspondents came around to a more temperate view, and it was 6 months before the State Department in a move toward reconciliation invited the new President to visit America.

Things have changed in Italy since the events of last May. Scelba's successor as Premier, Antonio Segni, is as pro-Western as the Premiers before him. But his relations with the American Embassy are cool, and his Cabinet has come to rely more on leftist support than any in the last 8 years. His two major accomplishments since being sworn in—the establishment of a constitutional court and the reform of the tax system—would have been impossible without Communist and Socialist votes. Embassy officials do not blame Gronchi for this situation, or Segni himself, who is the most moderate of Christian Democratic leftwingers. The responsibility lies mostly with the secretary of the Christian Democratic Party, which has not yet succeeded in providing the party machine it is supposed to run with adequate discipline, purposefulness, and money.

There is a strange limppness in Italian politics today which affects both the Christian Democrats and the Communists, while the minor parties, right or left of center, are getting increasingly feeble. Among the political leaders the only one whose stock keeps rising is Pietro Nenni, who registers the uninterrupted leftward drift of the nation.

WRONG BETS

This, by and large, is the record of what has happened in Italy in the 3 years since Mrs. Luce arrived to carry out the dynamic policies of the Republican administration.

Of course nothing could be more absurd than to hold Mrs. Luce responsible for everything that has gone wrong with Italian democracy during the last 3 years. She could not have foreseen the weakening of Alcide de Gasperi's hold on his party after the 1953 election, not to speak of his death a year later. Even so, it would have been the better part of wisdom to consider that De Gasperi's matchless skill in keeping an ever-changing, precarious balance within his party as well as within the democratic coalition could some day run into a very serious snag, and that—after all—he was not immortal. And how can Mrs. Luce be blamed for having failed to foresee that the vaunted relaxation of international tension would ultimately, under Communist management, result in a relaxation of tension between the Communist and anti-Communist forces in the internal politics of the major European democracies?

But it is not unfair to hold Mrs. Luce responsible for having stubbornly held her rightward course, and for having guessed wrong too many times. For a politician, that

is the capital sin. A politician she was before going to Italy, and a politician she will most probably be again when she comes home. A politician she was in all her persistent concern with Italian domestic affairs. There is nothing reprehensible about this concern: In our day and age a U.S. ambassador must play a sustained yet discreet role in the domestic policies of an allied country. What is reprehensible is to have backed those among the democratic politicians who because of their rightist inclinations were bound to lose ground. Either luck or skill failed Mrs. Luce.

To her credit, she never spared herself, never was slack in her job, never shunned taking chances and assuming responsibilities. She drove herself and her Embassy at a merciless pace, with an energy that few could rival, let alone surpass.

Most of her mistakes came from overdoing, from showing her hand and playing it too heavily in many cases where she might have succeeded had she been firm and discreet. Frequently she chose to be shrill and hard, while she could easily have achieved her goal just by quietly turning on a little bit of that charm with which she is so eminently endowed.

For instance, like many other people, American or non-American, she may have had good reason to dislike "The Blackboard Jungle," and to eliminate that controversial movie from the Venice Film Festival. But this was no excuse for her being so carried away by anger as to tell Ottavio Croze, the director of the festival, that if there was juvenile delinquency in America, it could be blamed largely on narcotics that came from Italy.

On other occasions, she preferred to exhibit a sort of girlish pettiness rather than face with quiet forbearance situations not to her liking. So, for instance, when Eleanor Roosevelt spent 4 days in Rome last spring, the U.S. Ambassador invited about 40 guests to meet her at an elaborate luncheon. All but a few were from the Embassy. Not a single Italian of the many eager to pay their respects to that truly great American woman was invited or, for that matter, offered a chance to meet her.

According to the people present, however, the luncheon turned out to be a triumph for Mrs. Roosevelt. The guests, particularly the younger ones, were so taken with her, so anxious to hear her talk, that the Ambassador had no choice but to let the party go on and on, while looking nervously at her watch.

MR. AND MRS.

Her fretful impatience and poor judgment contributed heavily to the failure of Mrs. Luce's mission to Rome. Perhaps part of the responsibility should go to Mr. Luce, who has spent half his time in Rome, working strenuously to make his wife's mission a success. His circle of friends was made up of the most typical representatives of Italian big business, men who can scarcely voice Italian feelings and needs. As things turned out, it was not advantageous to have two ambassadors for the price of one. Both Mrs. and Mr. Luce found it difficult, if not altogether impossible, to realize—hardened by success as they are—that the fight against communism just cannot be conducted on the Seven Hills the way it is conducted from Rockefeller Center.

In fact, on more than one occasion Mr. Luce did not conceal his dismay at what seemed to him the Vatican's softness toward Italian and international communism. His wife has been more reserved, and has managed to avoid too close contacts with the Catholic hierarchy, as she promised to do before going to Italy. She has been Ambassador to the Italian Republic, not to the Vatican.

At least once her fretfulness got on the nerves of the highest Vatican officials. This

was last summer, when that saintly and rather erratic man, Mayor Giorgio La Pira, of Florence, attended the World Mayors' Conference, in Rome. Photographs of Ella Cardinal Dalla Costa, Archbishop of Florence, bowing over the hand of Moscow's mayor, greatly incensed the U.S. Ambassador. She let it be known at the Vatican's Secretariat of State that the Vatican's failure to curb La Pira, whom she held responsible, made the U.S. Ambassador wonder whether the church could still be considered an effective bulwark against communism; perhaps the United States was the only bulwark left. The Papal Secretariat of State did not find this outburst to its liking. The Vatican has lost none of its centuries-old skill in handling its saints, and it knows how to wait for the fall of great empires, be they secular or journalistic.

"THE SNAKE PIT"

Perhaps Mrs. Luce's mission to Rome would have achieved different results if this extraordinary woman whose public relations are usually matchless were equally adept at human relations. She certainly could have made better use of her staff if she had not so overawed the Foreign Service people under her command as to lead too many of them into thinking that the thing to do was to tell her what she wanted to hear. (Her Embassy became known as "the snake pit.")

She might have been spared many costly errors if she had had the patience to listen—particularly to those Italians who are friends of the United States rather than panderers to it. But somehow she has failed to surround herself with a large and representative Italian constituency. She certainly has met many kinds of Italians, but, at least at present, her most familiar milieu is a small coterie of professional wits and punsters. She got bored with the old aristocracy and disillusioned by the many Italian politicians panting after subsidies for their hard-pressed factions or parties. The heavily earnest and moralistic men who are striving to keep some integrity in the maze of Italian politics may occasionally offer pearls of wisdom, but in general they are not fun to be with.

The punsters who have become habitués of the Villa Taverna are fun. They write in a magazine, *Il Borghese*, that never mentions democracy without a chuckle or a sneer. Their wit, well appreciated not so long ago at the courts of Mussolini and Ciano, has lost none of its sharpness in the change of political régime, and it is not likely to be dulled by moralism ever.

After all, not so long ago Ambassador Luce was a playwright and an editor of *Vanity Fair*. Political success has not spoiled her wit, just as the passing of time has not altered her looks. She is as sprightly as ever, with a kind of inexhaustible vitality, constantly wound up. There is a sort of a strident, metallic quality about her, revealed in the high pitch of her voice.

Perhaps she has failed in Italy precisely because of her strong points—brightness and shrewdness and dash. The fact is that all these flowers, some bright and innocent, some sweetly poisonous, and all of them beautiful, have been growing on Italian soil for centuries and centuries. In Italy they are a drug on the market.

[From the Reporter magazine, Apr. 2, 1959]

INSTEAD OF ORCHIDS

The nomination of Clare Boothe Luce as Ambassador to Brazil has been hailed by the press as singularly felicitous, and even newspapers occasionally critical of the administration, like the *Washington Post*, have joined the chorus. For, it is said Mrs. Luce was an extraordinarily successful Ambassador to Italy—a view contested only by those who know the facts.

The facts, unfortunately, are sad. Mrs. Luce, from the moment she arrived in Rome, tackled her job with relentless energy. She was ever-present, even when the presence of the American Ambassador implied some physical danger. She plunged into Italian politics, and made unmistakably clear which politicians she liked and which she didn't. She overacted, overtalked, and oversmiled. She never spared herself in playing her role but missed all the cues.

This was a great pity, for her intentions were of the best. Her two predecessors, James Dunn and Elsworth Bunker, had brought to bear the overwhelming political influence and economic assistance of the United States with consummate skill. They had the actual power of proconsuls but they behaved like Ambassadors. Mrs. Luce, at a time when Italy was fast recovering, chose to behave like a proconsul. The result was that whenever she decided to go all out against a certain politician, that politician was made. Unfortunately, this is the way some politicians were made who are still most powerful in Italy and most inclined to stray from the path of the Atlantic Alliance. We have in mind, of course, men like Enrico Mattei and President Gronchi.

Toward the end of her mission Ambassador Luce was thoroughly worn out. "Worst of all, for a diplomat," as Time reported, "she had become irritable." The cause, Time said, was arsenic fallout. Then the curtain fell on what Broadway calls a turkey.

Now this remarkable woman is being sent to another faction-ridden Latin country. If her Italian record is any guide, she will soon be in Brazilian politics up to the hilt. Next year a president is to be elected and passions already are high in the country of the Western Hemisphere that is second only to us in population and vigor.

In the last issue of the Reporter we published Adolf Berle's review of "New World in the Tropics," by Gilberto Freyre, one of the most eminent sociologists of our times and a true friend of the United States. Freyre is alarmed at the mounting Yankeeophobia in Brazil. "It is time now for the United States to have an exceptionally able Ambassador in Rio de Janeiro," he writes.

If the administration is still insistent on paying tribute to Mrs. Henry Luce with ambassadorships rather than with orchids, we don't see why she should not be sent to less critical countries. Given her Roman record, Ambassador Luce might well go to a capital where America's influence is not a major controversial issue, where the political order has been established for centuries, and where American newsmagazines are not taken too seriously.

We would suggest a monarchy for Mrs. Luce, whose court she would greatly adorn. It could be Britain, first and best of all, or, if President Eisenhower doesn't want to go that far, Luxembourg.

Mr. FULBRIGHT. I might add, Mr. President, that the Committee on Foreign Relations has received a considerable volume of correspondence protesting the Luce nomination, some of it on the grounds of her service in Italy. I shall not place this correspondence in the RECORD, because it comes from private individuals, and I do not want to embarrass any of them in any way.

I am not now commenting on the merits of the criticisms which have been directed against Mrs. Luce's service in Rome. I am merely emphasizing the fact that evaluations of her service there were not all paeans of praise, contrary to the statement of the Senator from Arizona.

One of the statements about which the Senator from Oregon and I ques-

tioned Mrs. Luce was to the effect that President Franklin Roosevelt had "lied us into war." It happens that Franklin Roosevelt is an extremely popular—even a revered—figure in Latin America. It also happens that among the many allies we had in World War II was Brazil, and Brazil was more than an ally in name. Brazil not only made available important bases bordering on the strategic South Atlantic and the air route to Africa; she also sent a division of troops to Italy to help in that difficult and important campaign. Brazilians, as well as Americans, died in World War II. If the United States was lied into war, then Brazil was lied into war, as well. I expect that many Brazilians, as well as many Americans, will resent that charge. All of this is relevant to Mrs. Luce's qualifications to be Ambassador to Brazil.

In conclusion, Mr. President, I do not consider that either the committee or I went beyond proper bounds in our questioning of Mrs. Luce. I do consider that the Senator from Arizona went beyond proper bounds in his criticism. Rule XIX provides that "no Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator."

The Senator from Arizona said the Senator from Oregon and I used the same tactics as the late Senator McCarthy, who was censured by the Senate for conduct unbecoming a Senator. This is the same thing as saying that the Senator from Oregon and I have used tactics unbecoming Senators.

I repeat, I resent this, and I hope that in the future the Senator from Arizona will address his remarks to the merits of issues rather than to the motives of Senators.

STEP-BY-STEP APPROACH TO A CONTROL BAN ON TESTING OF NUCLEAR WEAPONS

Mr. CHURCH. Mr. President, I ask unanimous consent that I may be allowed to proceed for 8 minutes.

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

Mr. CHURCH. Mr. President, earlier this week, on Monday, the United States, with the support of the United Kingdom, announced a most significant change in our policy concerning the negotiations at Geneva to end nuclear weapons testing. Following an Easter recess, Ambassador James J. Wadsworth, our delegation leader, offered the Soviet Union a step-by-step approach to a control ban on all testing of nuclear weapons.

The first step calls for an internationally controlled suspension of tests in the atmosphere and underwater. It would leave for later the inclusion of underground and high altitude explosions.

Ambassador Wadsworth made it clear to the Soviet Union that the United States preferred an immediate agreement suspending all tests under trustworthy international controls. The step-by-step approach was suggested only because of the adamant Soviet ob-

jections to the kind of controls, including on-site inspection, which are reasonably required adequately to detect underground explosions.

In making this proposal, Mr. President, the United States and the United Kingdom have taken the initiative in an effort to break the stalemate at Geneva. The new offer, if accepted, would furnish a start toward a total ban by the agreement to end tests in the atmosphere and underwater. These are the tests causing the fallout which is corrupting the air. A ban upon them can be readily policed under a relatively simple international control and detection system which cannot possibly do any internal mischief within any of the countries concerned. Once established, such a control system would afford the present nuclear powers a functioning apparatus within which to harness the on-coming countries that are fast developing atomic capacities of their own. Moreover, the successful operation of such a control system might easily pave the way for its expansion to embrace a broader test ban encompassing all types of nuclear tests in space and underground.

Mr. President, I congratulate the administration and the State Department for making this proposal. I am gratified that it conforms in almost every detail with the suggestion I made to the State Department last February when I sent to the Acting Secretary of State, Christian A. Herter, a letter on this subject.

I told the Secretary that I hoped the United States would make one final effort to salvage something, for humanity's sake, from the long labors which brought us to the conference tables at Geneva. I said:

As a last resort, in order that the conference might not break up accomplishing nothing, I would strongly urge that the United States make this final proposal: an agreement to suspend all further nuclear tests in the earth's atmosphere, enforced through an international control system sufficient to detect any violations. Such a proposal would exclude, for the present, any agreement involving suspension or control of subterranean or extra-atmospheric nuclear explosions, neither of which contribute to the pollution of the air, the principal cause of so much world concern.

I ask unanimous consent that the full text of my letter be included in the RECORD at this point, along with the Acting Secretary's response of March 4, in which he advises me that the suggestion I have made is under study.

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

FEBRUARY 25, 1959.

HON. CHRISTIAN HERTER,
Acting Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The fateful negotiations now in progress in Geneva are being watched by an anxious world. The United States is once again demonstrating its good faith. We properly seek the suspension of all types of nuclear tests under a trustworthy international system of inspection and control.

I address this letter to you out of grave concern that Russia's continued intransigence may soon stalemate the negotiations at Geneva, causing our best efforts there to come to nought.

It is my understanding that the current difficulty at Geneva centers upon the following aspects of the Russian position:

(1) The Soviet demand for reserving a veto power over the operations of the proposed international control commission.

(2) The Soviet insistence that control posts be self-operated, that is, managed by nationals of the governments within whose territories the posts are located.

(3) The Soviet advocacy of procedure that would easily frustrate prompt action by the commission in dispatching inspection teams to make necessary on-the-spot investigations of subterranean disturbances suspected of being nuclear in nature, or of preventing these essential at-site investigations from occurring at all.

Obviously, unless the Russian attitude toward these matters changes, no reliable inspection and control system, capable of policing the suspension of all types of nuclear tests, is possible. Thus the Geneva negotiations are threatened with impending failure, one that might well foreclose our last hope for progress in this critical field.

If the conference fails in its objective to establish a workable international control system that could end all further nuclear tests, the responsibility for that failure will be clearly Russian. But if such an eventuality cannot be avoided, I would hope that the United States might make one final effort to salvage something, for humanity's sake, from the long labors that have brought us to this conference table.

As a last resort, in order that the conference might not break up accomplishing nothing, I would strongly urge that the United States make this final proposal: an agreement to suspend all further nuclear tests in the earth's atmosphere, enforced through an international control system sufficient to detect any violations. Such a proposal would exclude, for the present, any agreement involving suspension or control of subterranean or extra-atmospheric nuclear explosions, neither of which contribute to the pollution of the air, the principal cause of so much world concern.

I would anticipate that certain questions will be raised as to this proposal. Within the context in which I make it, I believe them to be answerable.

For example, it may be urged that, technically speaking, no international control system is required for the detection of atmospheric nuclear explosions. American, English, and Soviet technicians, all functioning at home, may now be able to detect the fact of nuclear explosion anywhere in the atmosphere, and determine much concerning it. Nevertheless, the commencement of an international control system to accomplish this objective is the sine qua non of man's progress toward any feasible disarmament. Broadened nuclear testing controls, to be sought in the future, and eventual inspection for prevention of surprise attack, are but milestones on the road to this goal. It is altogether probable that advancement here will come, if at all, only a step at a time. My proposal would be the first step, and the Geneva Conference may yet constitute the best opportunity left to take it. An international control system which functions, however limited its initial scope might be, is the urgent need.

Another objection to be anticipated is that this proposal is a futile one, in that the Russian behavior at Geneva makes it apparent that the Soviet Union does not really intend to agree to anything acceptable to the United States and Great Britain. It may be urged that the same considerations which have prevented agreement within the framework of existing negotiations would apply equally to my proposal.

This may prove to be the case, but not necessarily so. Soviet spokesmen, from Khrushchev down, have repeatedly expressed

their fears and suspicions concerning the movement of foreign inspection personnel within Russia. Under the control system I propose, the necessity for this movement should be largely, if not entirely, eliminated. Fewer control stations would be required, and fewer foreign nationals would need to be stationed in the countries involved. In any event, it would seem that we ought not anticipate failure as a reason for abandonment of new proposals, even before making them.

Finally, it may be urged that the Russians might seize upon such a proposal as evidence to bolster the charge that the United States did not really support an ending of all nuclear tests, and so, somehow, to absolve Russia from their blame for failure to reach agreement. The answer to this, I think, is that the Russians, in any case, will contrive to blame the United States for a breakup of the conference. Whatever occurs, their indictment of us will be artfully drawn and made to sound plausible. In some quarters, they will be believed, regardless of what the truth may be, or what we may say about it. But this prospect should not be permitted to govern our decisions as to the course we must take.

In making these decisions, Mr. Secretary, I am sure you would be the first to agree that we are accountable, in the last analysis, to the trust we hold. It will be upon our conscience always, if we do less than the utmost in our quest to salvage something of value from the conference table at Geneva.

Sincerely,

FRANK CHURCH,
U. S. Senator.

DEPARTMENT OF STATE,
Washington, March 4, 1959.

The Honorable FRANK CHURCH,
U. S. Senate.

DEAR SENATOR CHURCH: Thank you for your thoughtful letter of February 25, 1959, about the Geneva nuclear test negotiations. The support you express for the U. S. position in Geneva is gratifying. We continue to feel, as you do, that we must press the Soviet Union on the control issues you outlined so that we may if at all possible achieve a suspension of all types of nuclear tests under a trustworthy system of international control and inspection.

The Department of State has been giving active consideration to what might be done should it prove, despite all of our efforts, that the Soviet Union will not accept the controls necessary to monitor a complete suspension of nuclear tests. The suggestion you have made, among others, is under study. You will appreciate that many technical factors must be assessed before a final decision can be reached.

In view of your interest in this problem I have asked Mr. Philip J. Farley and members of the Department's disarmament staff to keep you advised of the progress of our consideration of the matter you have raised.

With warmest regards,

Most sincerely,

CHRISTIAN A. HERTER,
Acting Secretary.

Mr. CHURCH. Mr. President, in order to make public the proposal and for the purposes of completing the chronology of events, I also ask unanimous consent that the full text of the address I made to the Senate on March 2, be printed in the RECORD at this point in my remarks.

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

THE GENEVA CONFERENCE: A PROPOSAL FOR THE 11TH HOUR

PART I. THE PSYCHOSIS OF CRISIS

Mr. President, the 2 years I have served in the Senate are but a brief interlude in the

life of a nation. Yet these years seem a very long time, perhaps because they have been burdened with unrelenting crisis. I came here in the wake of the Suez crisis. It was only being laid to rest, when revolt in Budapest turned our minds to Hungary. We were still tormented by the anguish there when sudden eruption in Iraq spurred us to dispatch our troops to Lebanon, and to switch our attention once again to another crisis in the Middle East. Then, hard upon this anxiety, we were suddenly confronted with a grave new crisis in the Orient, as the Chinese Communists commenced to cannon the offshore islands of Quemoy and Matsu, and the issue of war or peace hung in breathless balance over the Formosan Strait.

This afternoon, Mr. President, we are fixed upon the latest crisis to be provoked by the Communists, one that seems now to involve the fate of Berlin. We stare in cold fascination at the swinging pendulum of the clock that ticks off the hours, moving us ever closer to the 27th day of May, the deadline of the Soviet ultimatum.

Will there be war? we ask. Is this not the same question we asked ourselves, again and again, at Suez, at Lebanon, and at the Straits of Formosa?

Will there be war at Berlin? Only the men in the Kremlin hold the answer. Thus far they have been content with their war of nerves. The instigation of crises has been their method, as we have been catapulted from one to another, around the periphery of the free world. To be sure, 9 years ago the fighting came in Korea, but it was precipitated by Communist China, not the Soviet Union. Russia has not yet ventured a shooting war.

And there is good reason to doubt that Russia intends a shooting war over Berlin. It is much more likely, Mr. President, that somehow the Berlin crisis will abate, and a few months from now our concentration will have been shifted to a newly contrived crisis, possibly in Finland or Iran.

The mischief is that we may become, in our frantic ride from brink to brink, transfixed upon the chasms below, and unmindful of the road ahead. So, I fear, we are about to forsake the conference at Geneva, now approaching its 11th hour. We seem to view Geneva as through the wrong end of a telescope, even as we magnify Berlin. One would think that the cessation of nuclear tests, properly policed, was a matter of distant interest and little consequence to the people of the world.

It is not so.

The conference at Geneva is engaged upon what could easily be the most important work occurring anywhere in the world today or tomorrow.

PART II. GENEVA, THE REASONS FOR HOPE

Last October we went to Geneva in good faith and with stout hope. The prayers of the peaceful have attended our deliberations there, ever since. We went to Geneva to seek an end to all further nuclear tests, through an agreement among the three nuclear powers, the United States, the United Kingdom, and the Soviet Union. The treaty sought had two objectives, tied inseparably together: (1) All signatories would agree to suspend further nuclear tests, within the framework of (2) a trustworthy international system of inspection and control, to safeguard each party against any violation by another.

There were reasons, Mr. President, why we could hold stout hope for success at Geneva. In the first place, the formula for a technically sufficient inspection and control system had been given us. At an earlier conference in Geneva last summer, the scientists and technicians of all three countries had agreed upon the structure of the technical system required. Thus a single blueprint had been furnished in advance.

In the second place, there seemed to be at least one fundamental interest held in common. Americans, Englishmen, and Russians all breathe the same air. Radioactive fallout in the earth's atmosphere is poison for us all. If nuclear tests go on unchecked, the dose will gradually become more lethal. We shared a mutual interest in suspending further national tests, while the establishment of international controls afforded us, at once a method for confining nuclear explosions for peaceful purposes within safe limits, and a functioning apparatus within which to harness other countries, as they developed nuclear capacities of their own.

Finally, we had reason to hope for success at Geneva, because the suspension of nuclear tests appeared to be compatible, if action were taken now, with the national security interests of each of the negotiating powers. The agreement sought would not restrict the continued manufacture or stockpiling of atomic weapons by either side. Since the technology of nuclear weaponry, in the United States and the United Kingdom, on the one hand, and in the Soviet Union, on the other, had reached a state of relative balance, the agreement sought would not jeopardize the military position of any of the signatories, with respect to one another.

These were the compelling reasons, Mr. President, why it looked as though we had at last found common ground, making agreement possible. So we went to Geneva with our hearts full of hope.

PART III. GENEVA, THE REASONS FOR THREATENED FAILURE

Four months have passed. The Geneva Conference is deadlocked. The British Prime Minister, Mr. Macmillan, has gone to the Soviet Union, there to plead with Mr. Khrushchev to end the Russian intransigence that now threatens the conference with impending failure. Our bleak situation, as of now, is well summarized by Mr. Chalmers M. Roberts, in an excellent article that appeared in the Washington Post on Sunday, February 22, 1959. I ask unanimous consent that this article may appear in the RECORD at this point in my remarks.

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

"GENEVA TALKS HINGE ON MACMILLAN'S BID (By Chalmers M. Roberts)

"The Geneva nuclear test ban negotiations with the Russians are expected to collapse unless British Prime Minister Harold Macmillan can talk Nikita Khrushchev into modifying his demand for a veto.

"Philip J. Farley, special assistant to Secretary of State John Foster Dulles for disarmament and atomic energy, flew to Geneva over the weekend to see whether there was any purpose of keeping the talks going. Macmillan reached Moscow yesterday for his talks with Soviet Premier Khrushchev.

"It is not clear whether President Eisenhower personally has agreed to break off the talks unless there is a last-minute switch in the Soviet position. But those who should know indicated yesterday the United States is ready to recess the talks. For all practical purposes that would kill the test ban negotiations.

"Put onus on Soviets

"American officials have publicly put the onus for the Geneva deadlock on the Soviet Union. In turn, Khrushchev has charged that the United States and Britain want such a free-wheeling inspection and control system that it amounts to espionage inside Russia.

"The test ban talks began October 31 and have been going on ever since except for a Christmas holiday break.

"The United States and Britain have made a number of concessions to the Russians but

they have insisted that inspection teams in each nation be composed almost entirely of nationals of other nations. The Russians have offered to have four or five foreign nationals at each station inside the Soviet Union. But they also have demanded what amounts to a veto over the movement of inspection teams which might want to investigate any suspicious activity which could be a clandestine test.

"On Friday the chief Soviet delegate at the Geneva meeting, now in its 14th week, charged the West with misrepresenting Russia's position. The West believes the four or five foreigners proposed by the Russians would be without real authority and could not keep adequate check on the 30 or so Soviet technicians expected to man each control post in the Soviet Union.

"Under renewed attack

"The American test ban offer recently has been under renewed attack within the Eisenhower administration by both Pentagon and Atomic Energy Commission officials. The offer was made by the President over AEC objections last summer on Dulles' advice.

"Dulles and the President took the position that, all political and military factors considered, the United States had to make the offer in part because of the worldwide fear of radioactive fallout. This view has had strong, but not unanimous, support from scientists who believe a test ban actually would be more favorable to the United States because of an American lead in many nuclear weapons developments.

"Dulles rebuffed the renewed AEC attacks prior to his illness. It is widely believed in Washington that with the Secretary out of action there is no powerful figure in the administration to advise the President to keep on negotiating at Geneva. Some officials are worried that a collapse of the talks will enable the Russians to claim, and with considerable success around the world, that the United States was responsible for the failure.

"Gore's proposal

"Senator ALBERT GORE, Democrat, of Tennessee, told Mr. Eisenhower last November that U.S. prestige and responsibility were involved and there was no way that the United States can be disassociated from either the success or failure of the conference. GORE suggested that instead of trying to negotiate a control system, the President announce the unconditional and unilateral cessation of all nuclear tests in the earth's atmosphere for a specified period, say 3 years, and ask other powers to do so. This would permit underground, underwater and outerspace testing.

"Dulles said at that time that the Gore proposal might be taken up if the Geneva negotiations failed. The Gore proposal was criticized, however, on the ground that it would lack the political effect of an inspection agreement which would help break down the Iron Curtain."

Mr. President, when our representatives gathered at Geneva, with those of the United Kingdom and the Soviet Union, they had before them the blueprint for what could readily be made a technically sufficient system for the detection of nuclear explosions.

With this formula on the table before them, their task was to fill in the technical framework with a reliable management to operate the system, so that each party could be adequately safeguarded against covert violations of the suspension agreement.

Any trustworthy system for the detection and control of nuclear tests must meet certain elementary standards. It must be operated by an international commission, that is, by an authority apart from the direction of any one participant. The commission must have the power to man and operate the requisite control stations with qualified personnel who are not subservient to the coun-

try within which they may be located, but are accountable only to the commission for which they work. And the inspection teams must have the latitude needed to accomplish their purpose—to monitor the atmosphere and report upon any evidence of nuclear activity, and to move promptly, when directed by the commission to do so, to the site of any seismic disturbance, reasonably suspected of being nuclear in origin.

These are the minimum prerequisites of any trustworthy system for the detection and control of nuclear tests. Without accepting these minimums, there is no control system, not even a shadow of one.

It is because the Soviet Union has thus far indicated an inflexible unwillingness to accept these minimums that the Geneva conference is now threatened with imminent collapse. The Russian delegation has adamantly persisted in the following three positions:

First. They demand a veto power over the operations of the proposed international control commission.

Second. They insist that the requisite control posts be self-operated, that is, dominated by nationals of the countries within which the posts are located.

Third. They call for complicated procedures that would easily frustrate prompt action by the commission in dispatching inspection teams to make necessary on-the-spot investigations of subterranean disturbances suspected of being nuclear in nature, or of preventing these essential at-site investigations from occurring at all.

Obviously, Mr. President, these conditions are as unacceptable as the proffered arguments in defense of them are untenable. One of our negotiators at Geneva, Assistant Secretary of State Philip J. Farley, succinctly outlined the reasonableness of the American position at Geneva, when he testified before the Disarmament Subcommittee of the Senate on January 28, as follows:

"The United States believes that any control system which could be frustrated in its day-to-day operations by the veto power in the hands of a single party would be worse than useless.

"The Soviet position (to man control posts by nationals of the government on whose territory the control posts are located) would amount to self-inspection and as such cannot be the basis for an agreement in which all parties can have confidence.

"Will international inspection groups be organized and ready to move quickly to the site of an event which could be suspected of being an explosion? Or will sending of such a group be subject to weeks of debate and a veto? The Soviet approach would entangle this key provision in miles of red-tape."

As to these issues, Mr. President, there can be no compromise. Suspension of all further nuclear tests, in the air, underground, underwater, and in space, must rest upon a workable system of detection and control in which responsible men, mindful of the mortal stakes, can repose confidence. Unless the Russians recede, the original purpose of the Geneva conference, that of ending all types of further nuclear weapons tests, is not now attainable.

PART IV. GENEVA, A PROPOSAL FOR THE 11TH HOUR

As it has become apparent that the Russians are likely to hold fast to their three tenets at Geneva, it has seemed to many that the conference is doomed. Predictions are that it will break up soon, accomplishing nothing. If this happens, our last best hope for progress in this critical field may well be foreclosed. We are now in the 11th hour at Geneva, a fateful moment for the human race.

Mr. President, even though I share the pessimism that the conference won't achieve its original objective, I do not believe it

necessarily follows that the conference must therefore break up, accomplishing nothing. If we cannot achieve all of our goal, it may still be possible to obtain part of it.

If Geneva is to fall in its objective of creating a broad international control system that could adequately police the suspension of all further nuclear weapons tests, the responsibility for that failure will be clearly Russian. But if such an eventuality cannot be avoided, I would earnestly hope that my country would make one final effort to salvage something of value, for humanity's sake, from the long labors that have brought us to this conference table.

As a last resort, to attempt the avoidance of a total failure, I strongly urge that the United States make this final proposal: An agreement to suspend further nuclear weapons tests in the earth's atmosphere, within the framework of a trustworthy and sufficient international control system, adequate to reliably detect and report any violation. Such a proposal would exclude, for the present, any agreement involving suspension or control of nuclear tests occurring underground, underwater, or in outer space, none of which contribute to the pollution of the air, the grave cause of so much world concern.

Mr. President, last week I discussed this proposal with Mr. William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, and Mr. Ronald Spiers, Officer in Charge of Disarmament Affairs, who is involved with the Geneva negotiations. At their suggestion, I submitted the proposal, in letter form, to our Acting Secretary of State, Christian Herter, and they were, at that time, informed of my intention to call the proposal to the attention of the Senate from the floor today. I ask unanimous consent that the letter, dated February 25, 1959, be included in the Record immediately following the conclusion of my address.

Mr. President, I anticipate that certain objections will at once be raised to my proposal. However, within the context in which I have offered it, I believe them to be answerable.

For example, the scientific fact may be that American, English, and Russian technicians, functioning at home, now are able to detect the fact of nuclear explosion anywhere in the atmosphere, and determine much concerning it. Nevertheless, we must remember that the commencement of an international control system is the sine qua non of man's progress toward any feasible disarmament. Broadened nuclear testing controls, which we might seek in the future, and eventual inspection for prevention of surprise attack, are but milestones on the road to this goal. It is altogether probable that advancement here will come, if at all, only a step at a time. My proposal would be a first step, and the Geneva conference may yet constitute the best opportunity left to take it. An international control system which functions, however limited its initial scope might be, is the urgent need.

Another objection to be anticipated is that this proposal is a futile one, in that the Russian behavior at Geneva makes it apparent that the Soviet Union does not really intend to agree to anything acceptable to the United States and Great Britain. It may be urged that the same considerations, which have prevented agreement within the framework of existing negotiations, would apply equally to my proposal. This may prove to be the case. Indeed, the evidence point very strongly in that direction. But we cannot know that the Russians will reject the proposal, unless and until it is offered and refused.

Throughout the negotiations to date, it is worthwhile to remember that Soviet spokesmen, from Khrushchev down, have repeatedly expressed their fears and suspicions concerning the movement of foreign inspec-

tion personnel within Russia. Their characterization of our position, as amounting to a thinly disguised attempt to gain military reconnaissance of their country, is based upon their propaganda specter of teams of technicians scurrying into every corner of their country in the guise of checking seismic disturbances, earthquakes, to see if they are nuclear in origin. This is why they say they want the veto; this is why they say they want the control stations manned with their own people; this is why they say they want our agreement to miles of red tape before inspection teams can move at all.

Under the control system I propose, the necessity for this movement should be largely, if not entirely, eliminated. Fewer control stations would be required, and fewer foreign nationals would need to be stationed in the countries involved.

If the Russians are negotiating in good faith, the lesser control system required to police a suspension of nuclear tests in the atmosphere only, would constitute a refutation of most of the objections they have voiced, since the conference began. It might even serve to allay the unreasoning fears that seem to lurk in the Soviet mind. The Russians were suspicious people long before the Communists achieved ascendancy. The czars maintained their own Iron Curtain.

If the Russians are not negotiating in good faith at Geneva, as I strongly suspect may be the case, then what better way to expose their game than by offering them an international inspection and control system that can safely end the slow pollution of the atmosphere, without possibly doing them any internal mischief. By forcing the Russian hand, refusal to accept such a proposal would reveal their hypocrisy before the world.

But it may be urged, Mr. President, that the Russians might seize upon such a proposal as evidence to bolster the charge that the United States did not really support ending of all nuclear tests, but always has wanted tests to continue, thus somehow absolving Russia from blame for the failure to reach agreement. I would give little credence to this argument. As I have already indicated, it seems to me that the proposal I suggest would weaken, not strengthen, the Communist propaganda. In any case, we know that the Russians will contrive to blame the United States for a breakup of the conference. Whatever occurs, their indictment of us will be artfully drawn and made to sound plausible. In some quarters, the Communist story will be believed, regardless of what the truth may be, or what we may say about it. But this prospect should not be permitted to govern our decisions. As to these, we are, in the last analysis, accountable only to the trust we hold.

Mr. President, I have made this proposal, not in the spirit of criticism of the course we have heretofore taken in Geneva, but in support of it. It is meant to be a constructive proposal that cannot possibly jeopardize our present negotiations, but might possibly salvage something of value before they collapse, and we are forced to leave the conference table.

If there are cogent reasons rendering my proposal inadvisable, then I shall want to know what they are. The people, too, are entitled to know what they are. For we may still possess a momentous opportunity at Geneva, fast slipping from our grasp. It may not come again in our time.

Good conscience commands that we do our utmost there.

This is an anxious hour.

Mr. CHURCH. Mr. President, the statement by Ambassador Wadsworth at Geneva, as reported in the press, reflects the fact that the State Depart-

ment did indeed give my proposal most careful consideration. He recites that our effort at Geneva to make a meaningful start in arms control must not fail; that at Geneva we have an unparalleled opportunity to take an important step toward reduction of international tensions, and that success would open the way for further agreement on substantial disarmament measures.

On March 2, I said on the Senate floor, that—

It seemed to me that, in what may now be the death agonies of the conference at Geneva, there was an urgent opportunity, which was quite possibly slipping away from us, to achieve a breakthrough at the conference table which would establish an essential first step toward international controls, which must in the future constitute the basis of any progress we can possibly make toward the great goals of prevention of surprise attack and general disarmament.

Ambassador Wadsworth referred to the same three objections I had outlined in my letter to Secretary Herter, and he said that an agreement for controlled cessation of tests within the atmosphere would allow us to postpone, for the time being, some of the obstacles to agreement and still achieve early concrete results.

Mr. President, the truly important thing is that at Geneva and around the world, the impression was growing that the United States in fact did not want an agreement. Men in high station in this country in the Pentagon and the AEC have more and more openly applauded the developments which seemed to doom the conference to failure. Given our country's increasing dependence on nuclear weapons, both for deterrence and defense, they have argued that more tests are needed to refine our atmospheric warheads and to chart new discoveries in antimissile. The action by the Department of State last Monday affirmed, at a critical time, that the United States does share the worldwide concern about the poisoning of the air; that we have not taken a frozen position at Geneva which would discourage any advance; and that we realize in order to negotiate we must be patient and diligent, seeking agreement in those fields where agreement is feasible, content to make progress in little steps.

It may well be that the Soviets will not accept a properly policed ban on atmospheric tests, but we have now put the proposal to them, and there is at least ground for hope. The fact that atmospheric explosions can be monitored, largely from fixed control stations, eliminating the need for on-site investigations, should alleviate any genuine fears which the Russians may have about roving foreign reconnaissance within their country. On the other hand, if their fears are simulated, what better way could we find to expose them than by offering, as we have, an international detection and control system that can safely end the slow pollution of the atmosphere without possibly doing them any internal mischief?

Mr. President, the day following the State Department's action, the Christian Science Monitor editorially commended this step-by-step plan, and I ask unani-

mous consent that its editorial be printed in the RECORD at this point in my remarks.

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

MORE DRIVE FOR A TEST BAN

A new door to negotiations for an atomic test ban has just been opened. On the resumption of the three-power meeting at Geneva the United States, supported by Britain, has put forward a step-by-step plan, starting with tests in the earth's atmosphere. The first response of the Soviet delegation was negative. But the proposal can clarify issues and focus world opinion on obstructive tactics.

The Soviet Union is not the only nation guilty of obstruction. Only a few weeks after this conference began in October, Washington released a report by experts upsetting all calculations for distinguishing underground explosions from earthquakes. At the same time information was available in Washington indicating that modification of detecting devices could offset this difficulty. This information was withheld.

Even so, Moscow has erected most of the barricades against agreement. In two respects particularly its position appears unreasonable: (1) It insists that inspection teams be controlled by nationals of the nation where they are stationed. This amounts to self-inspection. (2) It demands a veto in the international control agency. This means it could block action—as it often has in the United Nations Security Council.

Yet there are persistent reports that the Kremlin really desires a test ban. The main reason is said to be its concern lest many smaller nations obtain bombs. This would greatly multiply the danger of an accident triggering a nuclear war. It is said Moscow would like to head off such a situation, but may stall, using test-ban negotiations for propaganda and as bargaining points at the summit meeting.

But the British and American delegations appear to be freeing the Soviet hand. While preferring an all-out ban, they are willing to put aside sticky questions about detecting underground or outer-space explosions. By confining inspection problems to nuclear detonations in the atmosphere—where detection is easier—such a move could make it harder to raise technical obstacles.

The greatest popular concern about atomic tests arises from their pollution of the atmosphere with radioactive material. Such tests not only produce the main danger from fallout; they are also far more easy to detect than are explosions underground or in outer space. This has led to hope that by limiting a ban to atmospheric tests agreement could be facilitated.

Last November Senator GORE proposed that the United States offer to give up tests in the atmosphere for a specified period—say 3 years—and invite Russia and Britain to work out an agreement. Six weeks ago Senator STURCH urged a similar plan as an "eleventh-hour" effort to save the Geneva conference, but he proposed to start with an agreement rather than a unilateral ban. This is the plan now offered by the West.

There is some hope that technical improvements in detection—especially by the use of satellites—will ease the stalemate over inspection. But many Americans will be glad to see their Government pressing for at least an end to testing that pollutes the atmosphere—the good air which belongs to all earth's peoples.

Mr. CHURCH. Mr. President, this editorial concludes by saying that many Americans will be glad to see their Government pressing for at least an end to testing which pollutes the atmosphere—

the good air which belongs to all earth's peoples.

If the Russians rebuff this proposal and force us to take the grim road back from Geneva, we can now walk that road without shame, knowing that we have done our utmost to avoid it.

NOMINATION OF CLARE BOOTHE LUCE TO BE AMBASSADOR TO BRAZIL

Mr. KEATING. Mr. President, one of the fundamentals of the functioning of the democratic process is that everyone has the right to have opinions about public issues and public servants, and, above all, the right to express such opinions.

Yet the recent attacks on Mrs. Clare Boothe Luce's nomination to be Ambassador to Brazil suggest that there are those among us who would make an exception with regard to the right of opinion and free speech, that exception being anyone who might conceivably be nominated some day to be an Ambassador.

The logical conclusion of this line of thought is that the ideal American representative probably is a political and intellectual cipher.

The attack upon Mrs. Luce is based largely upon the fact that some 15 years ago she made a strongly partisan political speech. She herself has described that speech as intemperate.

Who in this body has the right to cast the first stone in that respect? Does the current uproar mean that anyone with the gumption to take a position, to have opinions strongly held and strongly expressed, is to be forever barred from the service of his or her country in a diplomatic role?

This whole assault is preposterous. No such attack was made when Mrs. Luce's nomination to be Ambassador to Italy was confirmed. At that time her political speech making was of much more recent memory. What is the reason for the attack now, based upon the speeches going back a decade and a half? The timing seems especially peculiar, in view of Mrs. Luce's excellent performance as our Ambassador to Italy. It was fortunate indeed that the United States was represented by this talented Ambassador at such a critical juncture in Italy's history, so fraught with peril not only to that great country, but to the entire world.

I only hope that, in fairness, and in the best interests of our country, this spurious issue will be quickly resolved, to the end that Mrs. Luce can get on with her job in Brazil, and we can get on with our job in the Senate.

GOVERNMENT SPENDING AND INFLATION

Mr. CURTIS. Mr. President, it is my firm belief that those in America who wish to resist inflation and a further increase in our national debt, and to resist continued high spending, are in the majority. They are aware of the terrible consequences which come to a nation whose currency, little by little, but continuously, becomes worth less and less.

Often, however, the conservative people, even though, in my opinion, they are in the majority, do not speak up. One such citizen has done so. I refer to an eminent doctor, Dr. L. D. Moell, of Beatrice, Nebr., who has written me a letter upon the subject. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

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

BEATRICE, NEBR., April 9, 1959.

Senator CARL T. CURTIS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CURTIS: Certainly by merely glancing at my letterhead you have guessed that this is another plea for your efforts in favor of the Keogh bill (H.R. 10). Those who expect to benefit from this bill are not merely a minority seeking an advantage, but rather it is a move by them to become equal citizens with the many who now have tax deferment plans available and we asked to do it on our own, not have Government do it for us.

As a member of the medical profession, I wish to express my disfavor with the Forand bill. There are many provisions at the present time for the care of indigent patients, not the least of which is that time devoted by the physician free of charge to those who need it. The result of the Forand bill would be terrific expense to the Government and cause chaotic congestion in our hospitals. What beneficiary of such a plan could resist the temptation to demand hospitalization for any and all illnesses, since if he were not hospitalized he would stand the cost himself.

I am most deeply concerned however, about a widespread infectious illness which has afflicted our people since 1932. If it were a physical illness the Government would move with haste to stamp it out like the plague. Instead it seems that it is in many ways cultured. The sufferer is easily recognized for his palm is outstretched toward Washington and he is blind to the fact that Uncle Sam has a hand in his hip pocket. The disease "Gimme-itis" can be cured only by a horse-capsule-sized dose of discipline, taken by voters and legislators alike so that they will come to their senses realizing that the U.S. Mint is not a "something for nothing machine," and that bankruptcy is the only end result to continued deficit spending at home, in business, or in government. At autopsy, the true pathology revealed would be a tremendously enlarged organ, "big Government," which, tumorlike, destroys the host. I hope the United States of America does not come to autopsy.

Sincerely,

L. D. MOELL, M. D.

VERRAZANO DAY

Mr. KEATING. Mr. President, April 17, 1959, has been proclaimed by Gov. Nelson A. Rockefeller as Verrazano Day in the State of New York. On this day, the citizens of the Empire State will honor the memory and remarkable achievements of Giovanni da Verrazano, the Italian discoverer and navigator, whose contributions to the early exploration of America were truly monumental.

The illustrious and daring Verrazano was born about 1485 near Florence, Italy. Thus he lived during the rise of European civilization in that fresh and re-born age of vital energy we call the Renaissance. In the 15th Century, the Italians were perhaps the most advanced of all European peoples. With pride in

their nation as being descended from the populus Romanus, Italians found the food necessary to nourish the new creative spirit.

In today's world, as we face new horizons and are confronted with Gargantuan challenges, the extraordinary exploits of this Renaissance Italian appeal strongly to the minds of Americans.

The greatness of Verrazano has been largely overlooked by many people. In this connection, I want to pay special tribute to the Italian Historical Society of America and other groups which have done so much to accord proper recognition to this illustrious Florentine.

It is true little is known of Verrazano's early life. He entered the French maritime service while still in his twenties and served as a corsair in expeditions against Spanish shipping. About the beginning of the 16th Century, he made some trade voyages to the Orient.

In 1522 he captured two ships which Cortes had dispatched, loaded with spoils, from Mexico to Spain. Francis I, the King of France, was so impressed by this valorous accomplishment and the captive treasure from the New World that he placed Verrazano in command of an expedition to America. Ostensibly, Verrazano's mission was to seek a north-west passage to the Orient, but actually, his purpose was to extend the French Empire to the New World.

In 1524 this brave Italian set sail, eventually landing on or near the shore of what is now North Carolina. He then sailed northward along the Atlantic Coast. On this cruise he discovered, on April 17, New York Harbor and Manhattan Island, before sailing to Narragansett Bay and the coasts of Massachusetts and Maine. He then sailed farther north and reached Nova Scotia and Newfoundland. Verrazano's account of his discoveries to the King of France is the first recorded description of the northeast coast of America.

Together with Columbus and Americus Vesputius, Verrazano was thus one of the earliest Italian contributors to American civilization. As everyone knows, there have been many millions more. People of Italian descent have played a continuous and prominent role in the development of our country.

In the 16th and 17th centuries, Italians explored and spread the Gospel in the New World. In Colonial times, Italians were sought as settlers because of their special skills in manufacturing, artisanship, and agriculture. During the independence movement, Phillip Mazzei, a native of Florence, writing under the pen name of "Furioso," contributed a series of widely circulated articles to the Virginia Gazette denouncing the misrule and suppression of liberty by Great Britain.

An Italian painter, Constantino Brumidi, devoted nearly 30 years to creating the historical murals in the rotunda of our Nation's Capitol. An infinite parade of Italian conductors, instrumentalists, and vocalists has enriched the musical culture of the United States. From the very beginnings of our Nation, these Italians were welcomed with open arms so that America might

assimilate their culture and emulate their achievements.

Italians settling in this country have shown wellsprings of talent and adaptability. In the free air of the United States, their abilities have been unleashed with an explosive dynamism. Never before has so large a group stepped so quickly into the mainstream of American life. In the span of a single generation, millions of Americans with Italian backgrounds, have come to occupy a position of full equality—and often of eminent distinction—in every field of endeavor.

Mr. President, America is deeply grateful for the contributions which Italians have made to its way of life. Their undeviating devotion to God and country, their boundless energy, their undying vitality, their outstanding artistic attainments, their irrepressible gaiety, and their other very special and unique talents have made the United States a better and happier place for all of us.

Because the intrepid Verrazano was in a very real sense the forerunner of the millions of his countrymen who later followed his route to our shores, it is fitting that we celebrate the anniversary of the day when he first landed here. It would be well for all Americans to study the life of this man and ponder his example of courage and resourcefulness and perseverance, for never was this Nation in greater need of these qualities than today.

COSTLIER FINANCING

Mr. PROXMIER. Mr. President, the lead story in the Wall Street Journal this morning is extremely significant. It is especially significant to Members of Congress. It points out that interest rates are increasing, and it discusses the impact of the increase in interest rates.

I should like to read very briefly two or three excerpts from that lead article:

Business borrowing costs, already up from the levels of a few months ago, are headed higher still.

"With continued recovery, we're sure to face a growing demand for loans," says a top official of one New York City bank, "and it isn't going to take much growth to bring a general increase in interest rates."

I should like to read what the Wall Street Journal says about the consequences of this increase in interest rates:

The higher rate trend is of broad significance. It's pushing up costs for businessmen and conceivably could deter some plant expansion or inventory rebuilding projects and thus slow recovery. It adds to the already heavy debt-financing problems of the U.S. Treasury, which must refund \$27 billion in maturing debt by December, starting with a \$4.5 billion job late this month. It means higher mortgage borrowing costs for home buyers. And it could lead to higher borrowing costs for individuals who buy autos, appliances, and other goods on time.

The Wall Street Journal does not point out something which I think is apparent to those who have considered interest rates and their impact on the economy, particularly the devastating effect they have on municipalities and school districts. Meeting the urgent need for building schools, hospitals, streets,

and so forth, depends upon borrowing. If interest rates go up, as they have gone up, municipalities are prevented from doing what they should do to serve their citizens and to provide the jobs which are so essential to our economy.

Mr. President, the reason I rise to speak on the issue is that it is not something which has merely happened; it is the result of very careful, thoughtful, and premeditated planning on the part of the Federal Reserve Board. The Board is convinced that higher interest rates will help stem inflation. Mr. President, there is not one iota of evidence that cost of living will go down under present circumstances, if interest rates go up. The Federal Reserve Board, of course, is a creature of Congress, and therefore we have some responsibility for what it does. We have responsibility for the cost consequences that result.

The Wall Street Journal, in another article today reports:

Business recovery, rising interest rates on short-term Treasury bills hint at a new boost in the Federal Reserve's discount rate. The Reserve Board seems sure to move after the next Treasury financings; it may act even sooner.

Mr. President, interest rates, which have been going up rapidly—and only recently we suffered a substantial increase—apparently will go up again if the Federal Reserve Board decides they should go up.

The Wall Street Journal goes on to say:

As for the banks' supply of loanable funds, it is being kept in close check by the Reserve System. The System has accomplished its aim largely by selling Treasury securities; a purchaser of such securities naturally draws funds from a bank to pay for them.

This of course is the Federal Reserve Board's open operation tool which is being used by the Reserve System to tighten credit and make it harder to borrow money and to compel banks to increase their interest rates.

It seems to me that this is a policy on the part of our Federal Reserve Board which is bound to have the effect of retarding and slowing recovery, as the Wall Street Journal points out. In doing this it will prevent employment of some of the 4,300,000 men and women who are out of work.

I ask unanimous consent that the two articles published by the Wall Street Journal, from which I have read extracts, be printed in the RECORD at this point.

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

[From the Wall Street Journal]

COMPANIES' BANK, BOND BORROWING COSTS RISE; NEW INCREASES LIKELY—TREASURY, MORTGAGE DEMAND HEAVY; FEDERAL RESERVE LIMITS BANKS' FUNDS—BOND MEN TAKE A BEATING

(By Lee Silberman and Patrick Carberry)

NEW YORK.—Business borrowing costs, already up from the levels of a few months ago, are headed higher still.

That's the forecast of bankers and bond dealers here in the Nation's key financial center. New York City banks, including such giants as First National City Bank and Chase Manhattan Bank, account for some 25 percent of all bank loans to business—and their

policies influence banks the Nation over. And it's here that the bulk of all corporate bond borrowing is centered.

"With continued recovery, we're sure to face a growing demand for loans," says a top official of one New York City bank. "And it isn't going to take much growth to bring a general increase in interest rates."

"A corporation that wants to sell any sizable quantity of bonds simply is going to have to offer higher interest rates," says one New York bond underwriter. "There aren't any real amounts of money available at present rates."

SIGNIFICANCE OF THE TREND

The higher rate trend is of broad significance. It's pushing up costs for businessmen and conceivably could deter some plant expansion or inventory rebuilding projects and thus slow recovery. It adds to the already heavy debt financing problems of the U.S. Treasury, which must refund \$27 billion in maturing debt by December, starting with a \$4.5 billion job late this month. It means higher mortgage borrowing costs for home buyers. And it could lead to higher borrowing costs for individuals who buy autos, appliances, and other goods on time.

A general increase in interest rates on bank loans to business would be touched off by an increase in the prime rate—the rate banks charge the biggest borrowers with the best credit ratings. Rates for all other firms are scaled upward from the prime rate. The most recent change in this key rate came last September, when it was boosted to the present 4-percent level from 3½ percent. (The chart below traces the prime rate since World War II.)

(Chart omitted in RECORD.)

Somewhat ironically, the prospect of still-higher rates looms at a time when business demand for credit is anything but overwhelming. The Federal Reserve Bank of New York, for example, reported yesterday that business loans of major New York City banks so far this year have declined by 2.4 percent to a total of \$10.7 billion. And a New York bond dealer comments that corporate bond offerings in the recent past "certainly haven't been particularly heavy."

BEHIND THE PRESSURE

With business demands so far so modest, what's putting upward pressure on interest rates? New York bankers and bond dealers offer a number of explanations:

Demand from homebuyers and the U.S. Treasury is strong and growing; they're competing for the same funds.

Life insurance companies and savings banks, usually heavy purchasers of corporate bonds, are putting more of their money into higher yielding home mortgages.

The Federal Reserve System, worried about the threat of new inflation, is keeping a tight rein on the funds banks have available to lend.

Savings banks and some other savings institutions are gaining new deposits at a slower rate than a year ago. With recovery, individuals appear to be channeling more of their funds into spending and less into savings.

The booming stock market is drawing more funds from individuals which otherwise would have gone into savings institutions or into bonds.

BOND BORROWING COST

There's evidence aplenty of the higher bond borrowing costs—they're already the highest since 1957. Central Power & Light Co., of Corpus Christi, Tex., for example, on Tuesday sold \$11 million of 30-year first mortgage bonds at an annual interest cost of 4.645 percent. That compares with the 4.515 percent another electric utility, Ohio Power Co., is paying for the \$25 million it

raised March 30 through the sale of similarly rated 30-year bonds.

Montana Power Co. on March 24 sold \$15 million of bonds to underwriters who resold them to investors at a price to yield 4.43 percent. On the following day, Ohio Edison Co. sold \$30 million of bonds, which were reoffered to investors at a price that also yielded 4.43 percent. Recently, however, both issues have been selling on the market at prices to bring purchasers about 4.60 percent.

As for bank loans, the New York Federal Reserve Bank yesterday announced that business loans made by major New York City banks during the first half of March carried an average interest rate of 4.49 percent if the loans were to run a year or longer, compared with 4.39 percent in the comparable period of December and with 4.29 percent in the like 2 weeks of March 1958. On loans for less than a year, the rise was less sharp; last month's figure was 4.22 percent against 4.21 percent in December and 4.20 percent in March 1958.

New York City bankers evidence no alarm over the decline in their business loans since January 1. The chief reason: The first few months of each year normally see a decline in loans. Business concerns usually borrow heavily in the fall for such purposes as financing the movement of crops to market and building up inventories for the Christmas selling season. Early in the following year, they begin repaying these loans.

Then, too, the decline so far this year has been relatively smaller than the decrease in the like 1958 period; this year's 2.4-percent decline compares with a drop of 4 percent in the corresponding period a year ago.

A major factor that's held down bank loans up to now: Corporations during the recession tended to accumulate cash. Uncertain as to the future, they postponed spending on expansion and even maintenance projects. "As a result," says one New York banker, "many corporations have been in such a liquid position that they haven't had to borrow."

Bankers, however, are convinced this situation is about to change. Steel-using industries already are borrowing heavily to build up inventories in anticipation of a possible midyear steel strike. Users of rubber products and aluminum, commodities also threatened by strikes, also are borrowing more heavily.

USING UP INVENTORIES

Such borrowing, of course, will taper off if the strikes materialize—or even if they don't. One way or another, steel, rubber, and aluminum users will be using up their inventories for a time. By the time such borrowing begins to decline, however, bankers believe other loans will be more than taking up the slack.

For one thing, bankers look for a general buildup of inventories, entirely aside from the strike-inspired buying that's now going on. "Companies generally pared their inventories to the bone during the recession," comments one New York banker. "With sales picking up, it's only natural that they would start rebuilding stocks."

Then, too, bankers—as well as bond dealers—look for a growing demand for funds to finance plant expansion. Companies last year cut such outlays to \$30.5 billion, down sharply from 1957's total of \$37 billion. The Commerce Department and the Securities and Exchange Commission on the basis of surveys report businessmen now intend to spend \$31.8 billion on expansion during 1959. If business continues to move upward, of course, it's possible this figure could turn out to be even higher.

A strong upsurge in business demand for funds naturally would add to the pressures

already tending to push interest rates upward.

One of the heaviest of these current pressures is the demand for mortgage money. The seasonally-adjusted annual rate of private housing starts last month rose to 1,390,000. That compared with 1,320,000 in February, and was the highest rate for any March since 1950. New homes mean new mortgage loans; the amount of new Government-underwritten home mortgage loans made in January, the latest month for which figures are available, was \$700 million, compared with \$418 million in January 1958.

"Life insurance companies and savings banks are largely out of the bond market," comments a New York City bond dealer, "because they can get higher yields on other investments, such as mortgages." Mortgage interest rates vary widely—from around 5 percent to well over 6 percent—depending on the type of property and its location. But such rates generally are higher than investors now can get on top-rated corporate bonds.

As for the banks' supply of loanable funds, it is being kept in close check by the Reserve System. The System has accomplished its aim largely by selling Treasury securities; a purchaser of such securities naturally draws funds from a bank to pay for them.

THE BANKS' RESERVES

The effectiveness of the Federal Reserve's measures shows up clearly in the banks' reserve position. They're required to keep on deposit with the System amounts equal to a specified percentage of the deposits on their own books. Through most of the first half of 1958, the System was keeping the banks well supplied with funds in an effort to see to it that the recession was not deepened by tight money. So the banks' reserves on an average day ran about \$500 million more than requirements. Recently, by contrast, the banks have had to borrow a total of about \$150 million on an average day to bring their reserves up to the required level.

Also tending to limit the supply of funds available to businessmen is a slower rate of gain in savings noted by some savings institutions. Deposits of the Nation's mutual savings banks, for example, rose by \$233 million in the first 2 months of 1959 to a total of \$33.9 billion. That compared with a \$382 million rise in the like 1958 period.

One reason that banks won't hesitate to boost the prime rate when they decide such a move is justified by demand can be gleaned from their earnings statements. With the decline in loans of the past year or so, aggregate New York City bank net operating earnings in each of the past three quarters have slipped below those of the like periods a year earlier.

NEEDED: STABILITY

The bond dealers also have had earnings problems of late, but to correct these the dealers need interest rate stability more than higher rates.

Underwriters, after trying for several days to market bond issues of three utilities, last Tuesday still had substantial amounts of the three issues on their hands. So they abandoned efforts to sell the issues at the original offering prices and let them find their own lower levels on the market. At lower price levels, the effective interest rate is higher. The issues involved were those of Montana Power and Ohio Edison, plus a \$7 million offering of Gulf Power Co. bonds. Market specialists estimate the out-of-pocket loss to the underwriters at \$125,000, exclusive of expenses and commissions to salesmen.

Despite the interest rate uncertainty, most underwriters are continuing to bid on new bond issues. But failure to win such issues

at the moment may be a bit less disappointing now than it would have been a few months ago. Quips one bond man, in rhyme:

"The prayer to which my heart responds
Is let my bid not win the bonds."

WASHINGTON WIRE—A SPECIAL WEEKLY REPORT FROM THE WALL STREET JOURNAL'S CAPITAL BUREAU

Debt managers head into new troubles. Their breathing spell is over.

The Treasury faces heavy borrowing needs just as interest rates generally are rising (see column 6). The Government must refund \$27 billion in maturing debt by December, starting with a \$4.5 billion job late this month. Unpredictable cash needs may add to the load. Interest yields nose higher now, especially on longer-term Treasury bonds. Officials fear a new uptrend.

Debt managers shy from any plan to put out a new long-term bond now. A long-term issue would crowd the 4¼ percent interest rate ceiling on bonds of 5 years or more. The Treasury's competition for business for long-term money grows. New credit-curbing moves by the Federal Reserve promise to complicate the debt management job.

Business recovery, rising interest rates on short-term Treasury bills hint at a new boost in the Federal Reserve's discount rate. The Reserve Board seems sure to move after the next Treasury financings; it may act even sooner.

THE BERLIN CRISIS AND THE PATH TO PEACE

Mr. PROXMIRE. Mr. President, recently I read in the newspapers an account of the speech which was delivered by the distinguished senior Senator from Minnesota [Mr. HUMPHREY] at the Westchester County Democratic Committee dinner in New Rochelle, N.Y., on Saturday, April 11. It was a brilliant speech, and I ask unanimous consent that the entire speech may be printed at the conclusion of my remarks.

First, however, I believe it is desirable to reinforce the RECORD by reading the last few lines of the speech, because it is the kind of unusual plea of which the American people should hear more.

Said Senator HUMPHREY:

I think I understand well the Communist threat. I have talked to Khrushchev. I have seen at first hand his vigor, his determination, his ruthlessness. I know the power of totalitarian might. We must never underestimate this massive threat.

More to be feared than Soviet hardness is our own softness.

More to be feared than ruthless Soviet purpose is our aimlessness.

More to be feared than the pernicious appeal of Communist slogans to the disinherited of this earth is our own inability to develop a clear sense of purpose and to give mankind a vision of noble destiny.

I do not believe the pessimists who say that as a people we Americans cannot or will not meet the demands of the present trial of Western civilization.

I do not propose that we chastise the American people.

I propose that we challenge them.

The measure of our responsibility is such that we must act with greatness. No people have ever risen to greatness without being called to greatness.

The tragedy of these years is that the voice that should summon us is silent.

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

THE BERLIN CRISIS AND THE PATH TO PEACE (Remarks prepared for delivery by Senator HUBERT H. HUMPHREY, of Minnesota, at Westchester County Democratic Committee dinner, Glen Island Casino, New Rochelle, N.Y., Saturday, April 11, 1959)

We now look back on 10 years of cooperation within the NATO alliance, and we look forward to the rapidly advancing climax of the Berlin crisis.

These two—NATO and Berlin—are closely linked together.

The first Berlin crisis of 1948-49 brought the NATO community into being.

The present Berlin crisis tests whether that unique community of nations, conceived in common danger and dedicated to common security, can long endure.

FIRMNESS BEFORE THE SOVIET THREAT

We have learned from hard experience to be firm before the Soviet threat.

We learned much in Greece and Turkey in 1947. And what we learned we put into action when Congress endorsed President Truman's now famous doctrine.

"It must be the policy of the United States," said President Truman 12 years ago, "to support free peoples who are resisting attempted subjugation."

We learned the hard way in Czechoslovakia in 1948 when the Communists overthrew a free government. Then came the blockade of West Berlin. We were threatened. But by now we had learned well that those who do not stand firm will not remain free. We did not withdraw from the beleaguered city. For 9 months free Berlin was sustained by an allied air bridge built of ingenuity and daring.

The lessons learned in Czechoslovakia and Berlin made their impact. Joining hands with the free nations of Europe, we created an unprecedented international community. NATO was established in 1949, just 10 years ago. Twelve nations, augmented by three more which joined later, pledged that "an armed attack against one shall be considered an attack against them all."

The community of nations comprising NATO is the core of the Western World. If this community stands firm and united in the cause of freedom and justice, we shall prevail. If it collapses, we shall be in mortal danger.

The Soviets once more are threatening freedom in Berlin. They are probing to see whether that unique and indispensable community which is NATO can indeed endure.

Last November I stood in West Berlin with its able and courageous mayor, Willy Brandt. I vowed then, and I vow today, to support a policy of firmness, to uphold the right of France, Britain, and the United States to maintain garrisons in West Berlin until a legitimate peace treaty is signed.

This is the position and policy of our Government. It is also the position and policy of NATO. We will not surrender. We will not be pushed out.

But firmness before the Soviet threat, though indispensable, is not enough. Firmness alone will not preserve NATO, nor assure the survival of free Berlin.

Our firmness must be matched by our imagination and our willingness to negotiate.

Standing firm and a willingness to negotiate are not, as some suggest, contradictory policies. They are the two elements in any viable policy in the Berlin crisis. We can negotiate successfully only if we are prepared to stand firm. And we can command the political support necessary to a posture of firmness only if our negotiating position is clear, consistent, and realistic.

We may be grateful that this also is the position and the policy of our Government and of NATO. We will stand firm. And we will negotiate.

THE REQUIREMENTS OF NEGOTIATION

It is about negotiation that I want to talk with you for a few minutes tonight. I have frequently said that we must be willing to talk to the Russians wherever and whenever there seems even the faintest hope of advancing the interests of peace and security.

Remember that we negotiated with the Russians on Austria for 10 years. Finally we got a treaty.

Remember that we negotiated with the Communists on Korea for 2 years. In the end we got a cease-fire.

For months we have been negotiating in Geneva on the cessation of nuclear tests. So far, there is no agreement. But we must go on negotiating.

This is what I had in mind when, on March 26, I introduced on the floor of the Senate a resolution which reads in part as follows:

"Resolved, That the Senate support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests and that it emphatically endorse the principle that an adequate inspection and control system must be a part of any such international agreement."

There is no alternative. We must negotiate on Berlin, on Germany, and on the general question of European security. We must go to the summit, and more than once if that is necessary.

I do not propose to talk tonight about the specific elements of our negotiating position in the forthcoming meetings of the Foreign Ministers of East and West. It would be both presumptuous and indelicate for a member of the legislative branch to speak of such affairs at the very moment that that position is being hammered out by the statesmen of the Western Powers.

But if I do not talk about the specifics, it is appropriate—in fact it is an obligation on all of us—to speak about the broad requirements of a viable negotiating position.

There has been much loose talk about Munich—about the dangers of being taken in by the Russians at the negotiating table.

I do not need to tell this audience that Berlin is not Munich.

To negotiate is not to appease. But we must understand very clearly what makes the difference between legitimate negotiation and inexcusable appeasement. Three requirements must be fulfilled if we are to come to the negotiating table prepared to seek reasonable adjustments without fear of succumbing to unreasonable demands. First, there must be unity of policy within the Western community. Second, we must be militarily prepared. Third, our people must understand the full gravity of the situation we confront. I want to ask you to think with me tonight about each of these requirements.

1. The unity of the Western community

First, the critical importance of unity. At Munich the democracies were not united. They were divided. The United States lived in the never-never land of isolationism. The Low Countries of Europe were neutrals. Britain and France were united, it is true—united in somnambulant apathy, anxious to believe the false promises of the dictators.

Happily, the situation is very different today. Yet there remains much to be done. We have achieved agreement on what we will not do.

We will not get out of Berlin, just because the Russians threaten us.

But negative agreement on what we will not do must now be transmuted into posi-

tive agreement on what we will do—what we will propose, what we will be prepared to give in return for what benefits.

This is our problem and our challenge.

The Western community is composed of free partners. The unity we seek must now be forged from the free give and take among partners in a common enterprise.

We must meet the demand for firmness on the part of nations most exposed to the Soviets—principally the Germans.

We must reconcile this demand for firmness with the opposing demand for flexibility on the part of the other nations less exposed—principally the British.

We must understand the French desire for national prestige.

We must remain sensitive to German resistance to policies that appear to demand greater sacrifice of German interests than they do of the interests of the other partners.

We must never forget that all these points of view are legitimate.

The British, through their capable Prime Minister, Mr. MacMillan, demonstrate what we mean when we say that one can explore imaginatively and negotiate constructively while yet remaining firm.

The French, through their dedicated leader General de Gaulle, remind us that the unity we seek must be open enough to honor a genuine sense of national destiny.

The Germans, through the firm leadership of Chancellor Adenauer—who after so many years of invaluable service soon will leave the world of active politics—embody the vital quality of resoluteness.

Some people are distressed about the differences of view among the allies of the Western community. But the free discussion of our differences is a measure of our strength, and not our weakness.

The weak cannot expose their differences without exposing their weakness. So they conceal their differences—and remain weak. I am confident that in the process of reviewing and reconciling our differences we will emerge even stronger.

To achieve a united position among free and diverse peoples demands the utmost in good faith and consultative skill. But I am confident that we will achieve it.

It is quite possible that some of our present differences are the price we must pay for past negligence. We have tended to be fitful, not constant, in our consultations within the Western community. If we had worked a bit closer with our allies and strengthened the consultative process within NATO during the past 5 years, the task of achieving unity would be less difficult today.

Be that as it may, let us now accept the present crisis as an invaluable opportunity to fortify the unity of the Western community of nations. Without that unity, peace and justice surely will not for long endure.

If unity is essential for NATO, it is also essential within the United States. It has never been more important than it is today for the administration to consult with the opposition party and to establish the closest possible working relationship with Congress. Our delegation to the coming Foreign Minister's Conference ought surely to include Senator WILLIAM FULBRIGHT, the respected chairman of the Foreign Relations Committee of the Senate, and Senator ALEXANDER WILEY, ranking Republican member of that committee.

Finally, we should not ignore the importance of achieving unity and support beyond the confines of the NATO community. The United Nations may play a significant role at this point. Let's not hesitate, at the appropriate time, to place our case before this unique international body. The United Nations cannot solve our problems for us. It was never meant to be a substitute for the difficult foreign-policy decisions all governments must make. But it does present

many opportunities for the execution of a responsible foreign policy. And no objective is more important than that of mobilizing the support of the many nations that share our concern for security and justice.

2. Military preparedness

The first general requirement for a responsible negotiating position is, then, unity. The second requirement is military preparedness. At Munich, the democracies were unprepared. They had to buy time to rearm. They bought time—with the only currency acceptable to the dictators, appeasement.

Military preparedness is vital. As Carl Sandburg once observed "the cockroach is always wrong when it argues with the chicken." The militarily weak always invite appeasement when they negotiate with the militarily strong.

Once again, our present situation is happily very different from that of the democratic leaders who confronted the Fascists at Munich 21 years ago. Yet there is little cause for complacency. We must put to work immediately the lessons of the Berlin crisis. For this crisis throws a bright light on our military position and shows us that there is much yet to be done.

Last weekend, before the 10th anniversary celebration of the NATO Council, President Eisenhower reviewed the military posture of the Western community. He fortified his optimism with scripture. "When a strong man armed keepeth his palace," quoted the President, "his goods are in peace." But Mr. Eisenhower neglected to complete the quotation which continues, "But when a stronger than he shall come to him, and overcome him, he taketh from him all his armour wherein he trusted and divideth his spoils."

I would suggest that we indulge less in self-congratulation and more in self-examination—and if necessary in self-sacrifice.

Many thoughtful men have been engaged in this critical self-examination. Many of them have concluded that our Defense Establishment is rapidly becoming inadequate in terms of the threat we face. If we allow our armour to become weak we may well suffer the fate of the improvident man of the scriptural story.

It is time we faced resolutely some searching questions.

Are we militarily prepared in relative terms, relative, that is, to present and foreseeable Soviet capabilities? And are we militarily prepared in relevant terms, relevant, that is, to the various military contingencies we may have to face?

Is our strategic force adequate—relative to the Soviets? General Power, head of the Strategic Air Command, said the other day: "I think our deterrent posture is deteriorating." The fact is that unless action is taken now we are going to find ourselves facing the Soviets with an old weapons system, we with our manned bombers, and they with long range missiles.

Is our Military Establishment relevant to the kind of threats we may have to deal with? The fact is that unless action is taken now we will run the risk of short-changing our forces in weapons appropriate to their job. General Lauris Norstad, commander of the North Atlantic Treaty Forces, has asked for a new weapons system for NATO. His request has been given vigorous support by the President's distinguished Committee, headed by Mr. William Draper, and commissioned to evaluate our military aid program.

The increase in military assistance is to be primarily for new weapons in the NATO area.

The military balance of terror between East and West is a horrible thing. But this horror is exceeded only by the prospect of an imbalance of terror, an imbalance favoring the Communists. For them the cock-

roach would indeed find himself arguing with the chicken. To negotiate from military weakness is to invite appeasement.

If the Western community of nations is to endure, we must do what is necessary to maintain military parity with the Soviets—and do it now.

3. Public understanding

The third general requirement for a responsible negotiating position is public understanding. The appeasement of Munich was partly the product of popular misunderstanding. Most people thought that Czechoslovakia was a small, remote country, hardly worth bothering about—certainly not worth fighting over.

In a democracy, responsible policy cannot long maintain itself in times of crisis when the public is misinformed—or even when it is uninformed.

Again our situation today is happily very different from that of Munich. A recent New York Times survey of American opinion reveals serious concern about Berlin. The American people surely are not basically opposed to a responsible policy in the Berlin crisis.

But the Times survey also flashed some danger signals. Thirty-nine percent of the people interviewed did not understand the basic strategic problem we confront in defending free Berlin—the fact that it is located over 100 miles inside of Communist Europe. Right here in the New York area the percentage of uninformed people ran as high as 75 percent. Just as serious, most people were certain that the crisis would pass—that the danger was not great.

I do not believe we are at the brink of war. I too am confident we can contain this crisis. But we shall successfully avoid war and discharge our responsibilities to the people of West Berlin only if we understand the full complexity and precariousness of our situation.

It is not enough that our diplomats understand the problem. Our capacity to cope with the danger we now confront will not depend alone on the wisdom of statesmen meeting in Washington, London, Rome, Paris, and Bonn. It will rest finally on the understanding of the people from whom the statesmen draw their power.

Why do I say this? It is because people who have been given the facts may tend to expect too much, or may mistake legitimate negotiations for appeasement. People who do not know the facts—who do not know, for example, the complexity of the problems we face—may demand what is impossible. They may demand or expect a permanent European settlement with the Russians.

People who have not been fully informed—who do not know, how precarious our situation is—may shout "Munich" if our diplomats begin talking about limited agreements with the Soviets aimed at easing tensions.

It is my firm belief that the administration has not done a good enough job of informing the public in the interests of greater understanding. Now, what specifically are the ingredients of this understanding?

First, we must be openminded and imaginative. We must understand that negotiated agreements designed to reduce the hazards of war are not appeasement unless they alter the status quo to our disadvantage.

Second, we must be patient. We must understand that nothing will be solved overnight, that settlements will in fact take years, and that we face a long road of uncertainty and insecurity.

Third, we must be resolute and willing to sacrifice. We must be willing to spend money—hard-earned money—to do what is necessary to maintain the strength of the western community of nations.

The requirements of the present crisis are high. I came here tonight to speak about Berlin and the prerequisites of effective negotiation. I cannot leave without reminding

you that the imagination, patience and resoluteness, which as a people we must now demonstrate, is necessary at every level in our contest with the Soviets—in aid, in trade, and in appeals to the minds and souls of men and at every point in our contest with the Communist bloc—in Asia, in the Middle East, in Africa, at the U.N.

WE ARE CALLED TO GREATNESS

I think I understand well the Communist threat. I have talked to Khrushchev. I have seen at firsthand his vigor, his determination, his ruthlessness. I know the power of totalitarian might. We must never underestimate this massive threat.

More to be feared than Soviet hardness is our own softness.

More to be feared than ruthless Soviet purpose is our aimlessness.

More to be feared than the pernicious appeal of Communist slogans to the disinherited of this earth is our own inability to develop a clear sense of purpose and to give mankind a vision of a noble destiny.

I do not believe the pessimists who say that as a people we Americans cannot or will not meet the demands of the present trial of Western civilization.

I do not propose that we chastise the American people.

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The tragedy of these years is that the voice that should summon us is silent.

NATIONAL YOUTH FITNESS WEEK, 1959

Mr. WILEY. Mr. President, President Eisenhower has taken a constructive action, I believe, by designating May 3 to 9 as National Youth Fitness Week.

The objectives of this special week are: To endeavor to keep our youth fit, mentally, emotionally, spiritually, socially, and physically.

As we know, the President's Council on Youth Fitness works with local communities, through their agencies, organizations, and facilities, to plan and carry out fitness programs for their young people.

We recognize, of course, that the future of America depends upon the youth of today.

Consequently, providing ever-better opportunity for our youth, first, to develop their innate talents; second, to prepare for the responsibilities of adulthood, as individuals and as citizens; third, to be imbued with high principles, aspirations, and ideals; fourth, to be well trained vocationally, so as to experience personal growth, as well as make a maximum contribution to our social, economic, and cultural life; and fifth, to gain the overall capability and maturity that will be needed to meet the challenges of tomorrow.

The President's Council on Youth Fitness, of course, serves to generally direct this fine program. However, the major responsibility for effective planning and achievement in this field lies with local civic-minded individuals, groups, organizations, associations, and community leaders.

Recognizing the merits of a specially designated National Youth Fitness Week, I request unanimous consent to have the

proclamation by President Eisenhower printed at this point in the RECORD.

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

THE WHITE HOUSE.

NATIONAL YOUTH FITNESS WEEK, 1959—A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas the ongoing strength of our Nation depends upon the health of our young people; and

Whereas we must always strive to improve the fitness of our youth by determined and coordinated efforts; and

Whereas, in this challenging world, it is essential that our young people recognize their obligation to themselves, to their families, and to the Nation, to endeavor to keep themselves mentally, emotionally, spiritually, socially, and physically fit; and

Whereas the President's Council on Youth Fitness has recommended that a National Youth Fitness Week be designated:

Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby proclaim the week beginning May 3, 1959, as National Youth Fitness Week.

I request officials of the Government, and I urge parents, young people, and interested local and national organizations, to use all appropriate means during that week to promote programs and activities demonstrating the importance of youth fitness to the end that we may assure the continuing strength and well-being of our people.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 31st day of January 1959 and of the independence of the United States of America the one hundred and eighty-third.

DWIGHT D. EISENHOWER.

By the President:

JOHN FOSTER DULLES,
Secretary of State.

THE VICE PRESIDENT'S VISIT TO MOSCOW TO OPEN AMERICAN NATIONAL EXPOSITION

Mr. WILEY. Mr. President, I am delighted to learn of the decision to have the Vice President go to Moscow to open the American exhibit at the national exposition in July.

The trip by the Vice President will, I hope, shed new light on East-West relations, on obstacles to solving problems, and possibly provide new approaches for easing international tensions.

In our dedicated efforts to find ways and means for lessening the dangers of a missile-nuclear war that could destroy vast portions of the world, we do indeed need to be willing to leave our home-ground occasionally—if this will serve the cause of peace.

During his tenure of office, the Vice President has served effectively and admirably as an envoy of good will for our country.

We recall, of course, that there have been circumstances, which were beyond his control, involving unfortunate incidents.

Over all, however, he has distinguished himself by realistic, intelligent statesmanlike efforts to establish stronger relationships with friendly countries and a better understanding of problems with other nations.

The Moscow exhibit, itself, scheduled to open on July 25, has been designed,

of course, to convey a better understanding of our economic, social, and cultural life to the Russian people. The display will include, among other things, films, publications, art exhibits, and displays in science, technology, research, education, labor productivity, health, social services, agriculture, and other exhibits of our progress.

The objectives are to present to the Russian people an idea of how Americans work, live, play, and participate in community and national life.

The designation of the Vice President to open the U.S. exhibit in Moscow on July 25, I believe, greatly enhances the chances of its success, and may, perhaps, contribute further to a solution of East-West problems.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed. The Chair lays before the Senate the unfinished business, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1555) 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.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RURAL ELECTRIFICATION PUERTO RICO

Mr. DWORSHAK. Mr. President, I have just returned from a brief trip to Puerto Rico, where I was pleased to represent the Senate Appropriations Subcommittee on Agriculture at an official ceremony sponsored by the Commonwealth to dedicate unit No. 2 of the south coast steam electric station at Ponce-Guayanilla road. The first unit in this plant was placed in operation in February 1958. The second unit was dedicated on April 16, 1959. It is an installation which includes a combustion engineering boiler rated at 475,000 pounds of steam an hour, and a turbo-generator having a rating of 44,000 kilowatts and a maximum capacity of 56,000 kilowatts.

This new unit will serve more than 50,000 rural customers in Puerto Rico. It has been financed through loans granted by the Rural Electrification Administration of the U.S. Department of Agriculture, as were the rural electrification extensions which serve these

customers. The new addition has been installed under the management of Mr. S. L. Descartes, executive director of the Puerto Rico Water Resources Authority.

Because of the importance of this development to the economy of the island, the water resources authority arranged a seminar on rural electrification with an appropriate program. Officials who have supervised the water power program in the island presented informative addresses, carefully detailing rural electrification during the past 43 years. Speakers included Rafael R. Ramirez, head of the power division; S. L. Descartes, executive director; Pablo Vazquez Calcerrada, executive director, social programs administration; Victor M. Cataldo, head of power utilization.

The history of rural electrification in the United States was described by several speakers on the seminar program, including David A. Hamil, Administrator, REA; Gen. Herbert D. Vogel, Chairman, Board of Directors, TVA; Herman D. Plavnick, Assistant to the General Counsel, U.S. Department of Agriculture; Milton Chase, Assistant Chief, Electric Engineering Division, REA; W. H. Eastman, Director, Southeast Area REA; and Clyde T. Ellis, general manager, National Rural Electric Cooperative Association.

Several official representatives were present from pan-American countries. They participated in the seminar and reported on some of the problems which they have encountered in rural electrification in their respective countries.

Mr. President, I had not visited Puerto Rico since January 1, 1949, when I attended the first inauguration of the Honorable Luis Muñoz Marín, the first elected Governor of the Commonwealth.

During the past decade, remarkable progress has been made in the island's industrial, agricultural, and business development. I was profoundly impressed by the exceptional improvement in living conditions, the removal of slum areas, and the modernization of agriculture. Recalling some of the observations I made a decade ago in the island's rural areas, I was very happy to observe the drastic transformation which is taking place. In driving many miles and in flying over some of the more inaccessible areas, I was impressed by the progress in agriculture. This includes the use of irrigation in some of the arid sections and the development of dairying, which we observed at the Lajas Agricultural Experimental Substation.

Our Government has provided valuable cooperation and financial assistance to the Commonwealth, and it is most encouraging to note that substantial progress has resulted from capable and effective leadership on the island.

Mr. President, one of the most interesting addresses during the seminar was the report on "The Rural Electrification Program in the United States," made by Administrator Hamil, of REA. I ask unanimous consent to have excerpts from Mr. Hamil's address printed in the RECORD following my remarks.

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

THE RURAL ELECTRIFICATION PROGRAM IN THE UNITED STATES

A generation is a brief span of time in the history of a national program. Yet in slightly more than a generation rural electrification in the United States has become a reality. It is indeed one of the outstanding social and economic developments in American agriculture of the 20th century. Together with farm mechanization employing tractors and other machines, and the agricultural sciences, rural electrification has brought about profound changes in farm living and in the productive capacity of the American farm.

Mechanization and electrification have come so swiftly that many do not realize how great a change has come about. It is by no means a stretch of the imagination to say that electricity and mechanization mean as much to rural areas as the assembly line, production control and automation mean to industry.

A visitor to the United States is usually impressed by the distances between farms. These distances were for many years barriers to electrified farming, for they meant a correspondingly high investment in electric facilities. The size of that investment discouraged many existing power suppliers from extending service into the countryside. Largely for this reason, most early rural electric lines in the United States were extensions of urban systems, reaching out for a few miles from the cities and larger towns. Consequently, as late as 1935, electricity had been brought to only about 1 farm in 10. This compared unfavorably with some other parts of the world, even after allowing for the great distances between our farms.

In the depression year of 1935, our Federal Government became interested in rural electrification as a means of stimulating employment and providing a useful public service. Unserved farmers and other rural people of course supplied the impetus. After much discussion of various ways of inaugurating such a program within the framework of our system of free enterprise, it was decided that a Federal loan program was the most acceptable and promised the best results. The decision was followed by an Executive order creating the Rural Electrification Administration in May 1935. The following year the Congress of the United States enacted the Rural Electrification Act, which gave statutory status to the new agency.

That Act is the foundation of the rural electrification program of the United States as it is today. Under this Act, the Federal Government, acting through the Rural Electrification Administration, makes long-term, self-liquidating loans available to farmer-owned cooperatives, to electric companies and to public agencies. They, in turn, construct and operate the rural distribution facilities.

When this program first began, it was believed that existing suppliers would outnumber other participants. However, as it turned out, farmer-owned cooperatives make up the bulk of REA electric borrowers. The cooperative emerged as a local answer to a tough local situation—the lack of electric power and the lack of interest on the part of existing power suppliers in providing it. Farmer joined with farmer specifically for the purpose of organizing a cooperative. They did this in the face of the fact that many power suppliers at that time deemed the risks too high to justify any considerable extensions of their lines into outlying rural regions.

Many people still believe that because the Federal Government is the lender, it also operates the rural electric facilities it finances. This may seem like a logical conclusion. However, it is not so in actual

practice. Electric cooperatives are privately owned enterprises organized under applicable State laws. So far as the Federal Government is concerned, they are subject only to such controls as are designed to protect the security of the Government loan. The cooperatives make their own operating decisions and hire their own managers and other employees. The rural people taking part in this program point to their systems as examples of a highly successful combination of Federal activity and free private enterprise. Independence is a virtue of farmers everywhere. The American farmer is no exception. The farmers who organized and operate the REA-financed systems are proud of the independence of their systems. I can assure you that they want no undue interference in the affairs of their organizations.

This joint effort by private enterprise and the Government has proved to be highly successful. Whereas only 10.9 percent of our farms were electrified in 1935, about 96 percent are electrified today. REA-financed systems serve slightly more than 50 percent of these electrified farms. The electric companies serve the bulk of the remainder, and some are served by municipalities and other public bodies.

When REA was established, many predicted that the farmer would use electricity only sparingly, to light his home and barn and to run a few household appliances. How wrong they were. Farmers are using electricity in more than 400 different ways, and new uses are being discovered every day. Farm consumption has risen year by year. During the past decade it more than doubled. The average farm on REA-financed lines consumed about 318 kilowatt-hours a month in 1958.

This high consumption did not occur overnight. Farm use of electricity rose slowly during the early years of the program. The American farmer and his family were not familiar with electric power. This early period served to introduce electricity to the farmer. They were feeling their way at first. Gradually, as they learned how to apply electricity to more and more farm tasks, their consumption of power began to rise. After this tryout period, the demand for power on the farm rose sharply year by year.

As a Colorado rancher, I am always interested in the stories of farmers all over the country, what they are doing with electricity on their farms, and what it means to them. Such stories come into the Rural Electrification Administration by the score.

An Iowa farmer tells us that electricity makes it possible for two men on his farm to do what four used to do—and with a reduction in operating costs. His corn averages around 100 bushels to the acre and requires a lot of handling. A 50-foot grain elevator powered by a 5-horsepower motor gets it into the bin without manual labor. One day he moved 400 bushels of grain from one bin to another, cleaned the grain, and filled the first bin. It took 20 minutes, and cost him a nickel.

With infrared heat lamps available for pig brooding, it is possible to have pigs farrowed earlier, while the weather is still cold, and to cut pig losses, which is another step toward greater efficiency and considerably lower per unit costs.

Electricity is an important ingredient in one Pennsylvania grower's production of certified seed. He uses 50 electric motors, ranging from one-twelfth to 7½ horsepower, in drying, handling, cleaning, treating, and bagging his valuable crop. During 1956 this farmer averaged 2,500 kilowatt-hours per month for farm and home jobs.

Electricity costing \$56 enables a Kentucky farmer to pump irrigation water that increases his income from corn, tobacco, and beans by \$1,000 a year.

The all-electric farmhouse also has made its appearance, in which the cooking is electric, the refrigeration is electric, and even

heating is electric. You know, in most of the continental United States we do have to provide our own heat.

In some types of agriculture, notably, stock feeding, dairying, and poultry raising electricity has taken over so many manual chores that the operation has been called push-button farming by the magazine editors. We feel, however, that the application of electricity to farm chores has just begun.

Since 1935, REA has made loans to 1,050 organizations for the provision of electric service in rural areas. The loans amount to \$3.8 billion. Of the borrowers, 950 are the farmer-owned type; 76 are the public-owned type; and 24 are electric power companies. The loans were made to finance service for more than 5 million consumers from 1.4 million miles of line. The typical REA electric borrower serves about 3,700 consumers and operates approximately 1,300 miles of line. It has received \$2.9 million in loans.

REA makes loans for generating plants and transmission systems in instances where it can be shown that either a power shortage exists or a more economical operation will result. At present, 76 borrowers generate all or part of their power requirements. They operate 150 generating plants with a nameplate capacity of 1,013,115 kilowatts. However, borrowers generate only about 15 percent of their power needs. They buy 51 percent of their power from commercial utilities and the remainder is purchased from Federal and other public agencies.

Borrowers are paying an average price of 7.1 mills a kilowatt-hour for their power at wholesale. Rural consumers on REA financed lines paid an average of 2.6 cents a kilowatt-hour. Both prices are the lowest since REA was established.

An important development of the past few years in connection with generation and transmission is the growth of interconnection and integration of various power systems involving various types of ownership.

For a number of years, the electric companies of the United States have been engaged in varying degrees in joint planning for interchange of power. All of these arrangements had as their objective to improve service and reduce costs for the consumer. This is brought about by several factors—reduced investment in generation and transmission facilities, including especially the smaller percentage invested in standby equipment; reduced operating costs by better utilization of more efficient units and cheaper fuel; and reduced demand requirements due to diversity of daily and seasonal peaks of rural and other loads.

To an ever-increasing extent, the REA-financed systems are participating in such arrangements—with each other, with the Federal hydroelectric facilities and with the electric companies. Through such arrangements, we get maximum value out of our hydro developments because they are firmed up with the steam plants of the REA borrowers or the companies. Also, the rural systems have a market for their surplus power at off-peak times and can readily get peaking-power through interchange.

Among requirements of the loan agreement between the Government and the systems are that loan funds be used for the purpose intended; that construction meet acceptable standards; that rates be such as to pay all costs of operation and provide funds to meet payments of principal and interest as they fall due; and that service be extended to all in the area who want it where it is economically feasible. This latter is the area coverage principle, one of the cornerstones of rural electrification in the United States. Under this principle, the test is not whether an individual line or section will be self-supporting but whether the entire system is feasible as a whole.

REA borrowers have established a repayment record that has few equals in the his-

tory of American banking. They have returned to the Government \$1.1 billion in principal and interest, including over \$140 million in advance of due dates. Only 1 of our 986 active electric borrowers is overdue more than 30 days in payments amounting to \$31,102. This excellent record is a high tribute to the integrity and efficiency of the people who organized and operate the REA-financed systems.

The rural electrification program has passed through what can be called its first stage. The goal of this stage was to make electric power available to unserved rural persons. It is now available; the backbone of a vast electric system to serve rural America is constructed. The unelectrified farm is very much in the minority today in the United States—a minority of about 4 percent. We shall continue to make every effort to get electricity to these still unserved farms. Many of them are located in remote places and present a hard problem. I am confident, however, that farms of this type in areas served by REA borrowers will be reached.

The end of the pioneering stage brought about a sharp shift in emphasis. Today the big task facing our rural systems is to provide enough power to meet a constantly rising rural demand and to operate their facilities on an efficient basis. As a consequence, a larger portion of REA loan funds has, in recent years, been going to finance facilities to increase the capacity of existing systems and to provide new power sources. The year 1958 is a good example of this trend. In that year, more than 55 percent of our loans went to finance system improvements and new distribution facilities. About 43 percent went for new generation and transmission facilities. The remainder financed consumer facilities.

Characteristics of the rural electric system in the United States are changing. This is reflected in the increasing number of nonfarm consumers being connected. Although in numbers of consumers, the program is still a farm program, the percentage of nonfarm consumers is rising. Last year the rural systems served about 2.5 million farms and an estimated 2 million nonfarm establishments. The latter included nonfarm residences and commercial and industrial enterprises. The systems are adding new consumers at the rate of about 120,000 a year, and about 75 percent of these new consumers are nonfarm establishments. It is anticipated that the number of nonfarm consumers on REA-financed lines will outnumber farm consumers within the next 5 to 10 years. Already the nonfarm consumers account for more than half of the total power load on the systems and they will undoubtedly account for a larger proportion of total power sales in the future.

In the United States many people are leaving the cities to live in the country. Modern highways have brought the rural countryside and the cities closer together. A new type of rural consumer, the wage earner who commutes daily to a job in a nearby town or city, has become a familiar figure in many areas served by REA borrowers.

The future of rural electrification gives promise of great opportunities ahead for REA borrowers, but it poses serious challenges, too. As the number of consumers climb and as they demand better and better service, rural utilities must supply the kind of professional management that a modern utility requires. Their engineering plans must look far into the future, for they must have the plant that it takes to supply consumers with all the electricity they want, no matter how high that demand climbs.

Based on their fine record of accomplishment over the past 24 years, we are confident that the REA borrowers will meet these challenges and make the most of the new opportunities for service.

RESOLUTION OPPOSING RELEASE OF ANY GOVERNMENT INVENTORY OF COPPER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, H.R. 3293, Calendar No. 145, be laid aside temporarily and that the Senate proceed to the consideration of Calendar No. 181, Senate Resolution 101.

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

The LEGISLATIVE CLERK. A resolution (S. Res. 101) opposing the release at the present time of any part of any Government inventory of copper.

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

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that articles and editorials published in the Daily Metal Reporter of April 17, 1959, and in various other journals be printed at this point in the RECORD.

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

[From the Daily Metal Reporter, Apr. 17, 1959]

GOVERNMENT'S PENNYWISE, POUND FOOLISH COPPER POLICY

Pennywise and pound foolish, probably best describes the U.S. Government's copper policy, if those Washington officials who handle copper for the Government can be said to have a policy.

If the plan to sell 128,000 tons of non-strategic copper over which the OCDM has jurisdiction was designed to bring in revenue to the Treasury, it was ill conceived and shortsighted and that is being very charitable to those who concocted the plan. If those in the OCDM and in any other Government agency that had a hand in this planning, were at all conversant with the copper market, they would have known that the mere announcement of the Government's intention to liquidate some of its holdings would have a depressing effect not only on the domestic but on the world's price of copper. Copper is an international commodity and what affects the domestic market has its repercussions in all centers of the world where copper is produced or sold. We say that the mere announcement of the Government's intentions was bound to have a depressing influence, and the actual offer of a tonnage for sale by the Government could cause prices to fall sharply. This is not mere surmise.

Early this month there were rumors that the Government planned to release copper. Prior to these rumors, the price of copper on the London Metal Exchange was £251 a long ton or about 31.37½ cents a pound. That was on April 6. The rumor reached London on April 9 and the price on the London Metal Exchange dropped £4 10s a ton, or about one-half cent a pound.

Once a rumor gets started there is no stopping it and not only does it gain momentum but it is likely to become greatly exaggerated. When it was found that there was substance to the rumor, the price in London on April 16 dropped to £229 15s a long ton, or approximately to 28.75 cents a pound. In other words, in a matter of about 7 business days, the London price dropped about 2.62½ cents a pound. What are the consequences?

If the Government had actually proceeded to sell its nonstrategic copper, it is a reason-

able assumption that the price could easily have dropped to 30 cents a pound, even if the first batch that was offered for sale was only 10,000 tons. On a sale of 10,000 tons the Government probably could have realized \$6 million. And, were the Government to continue offering more copper for sale, there is no telling how low the price might go.

We wonder if the Government officials who conceived the brilliant plan to liquidate some of the Government's copper holdings are cognizant of the fact that the Government still has outstanding floor price contracts with producers that obligate the Government to take in about 10,000 to 12,000 tons of copper each month if the price should drop to about 27½ cents a pound. The Government would be selling a tonnage with one hand and taking in an even larger tonnage with the other.

But what about the effect on the world copper-producing industry? In the first quarter of the current year the world's deliveries of copper to consumers amounted to 763,000 tons, according to figures compiled by the Copper Institute. This is at the rate of about 3,050,000 tons of copper a year. The drop of 2.62½ cents a pound in the London price referred to previously, on sales of 3,050,000 tons a year, would entail a loss on sales of approximately \$162 million a year. The loss in taxes to the Chilean Government alone would probably be approximately \$20 million a year, let alone the losses to other producing countries such as Rhodesia, Peru, the Belgian Congo, and to others.

The Government has already done a great deal of harm to the copper market, harm that cannot be fully repaired, because, as long as these 128,000 tons overhang the market, there will be the continued uncertainty as to when they are likely to be offered for sale. No matter what safeguards the Government may devise so as not to hurt the market, they are not likely to prove effective.

There is one thing that the Government can do, if it really wants to undo the damage that it has inflicted, and that is to take these 128,000 tons of copper out of the hands of the OCDM and place them in the permanent or supplementary stockpile. Once this copper is in the stockpile, then, according to the Stockpile Law 520, it cannot be released except by Presidential decree during a period of national emergency or, in times of peace, by congressional approval.

The copper industry has too much at stake to allow this copper to hang like Damocles' sword over the market. It's up to the Government to remove it and do so quickly.

[From American Metal Market, Apr. 17, 1959]

PROPOSED SALE OF COPPER ORIGINATED AT WHITE HOUSE—BUDGET HASSLE, INFLATION BEHIND PLAN TO DISPOSE OF DPA METAL—STRONG SENATE OPPOSITION

WASHINGTON, April 16.—The proposed sale of copper from the Defense Production Act stocks, which was stymied by Senate opposition yesterday, originated in the White House and was part of a plan to liquidate a number of surplus commodities in order to balance the budget, American Metal Market learned from informed sources in the administration today.

In addition to copper, other commodities accumulated by the Commodity Credit Corporation, were scheduled for disposal.

Government officials who were in on the discussions said today that they were convinced that the proposed sale of copper was ineptly handled.

They said that if congressional leaders had been consulted beforehand and shown that the disposal of copper and other commodities would be conducted in an orderly manner,

the plan might have received approval on the Hill.

An entirely new disposal plan had been developed and would have been announced today, had not the decision been withheld as a result of congressional opposition.

BALANCE THE BUDGET

The liquidation of copper and other stocks held by the Government was designed (1) as an anti-inflation measure and (2) to help balance the budget.

It was not immediately determined whether the plan was one of the recommendations which may have been submitted to the President by the Committee on Inflation and Economic Growth, set up 2 months ago by the President and headed by Vice President Nixon.

Officials who were in on the discussions said that the proposed sale of copper did not draw opposition from the Department of Labor in the present instance. When it was proposed in 1956 that copper be sold from DPA account, to replenish industry stocks during a strike, Secretary of Labor Mitchell objected on the ground it would weaken the position of labor at the bargaining table.

The plan for the sale of copper on the open market would have been an orderly disposal with a minimum impact on the market, Government sources said today.

SENATE COMMITTEE ACTS

Meanwhile the Senate Interior Committee today moved swiftly to close the door on any disposition of copper held by the General Services Administration under Defense Product Act authority.

The committee voted out a resolution calling on the Office of Civilian and Defense Mobilization to direct GSA not to sell any of its DPA copper holdings. However, the approved resolution did not request that the DPA copper be placed in the national stockpile, as was indicated yesterday when Senators JAMES E. MURRAY, chairman of the committee, and MIKE MANSFIELD introduced the resolution.

Subsequently the OCDM said it was actively reviewing the copper situation and indicated there was some likelihood that DPA copper holdings might be sold on the domestic markets in small quantities over a long period of time.

The OCDM supervises the Government's DPA holdings in metals which have been purchased under expansion contracts signed since 1951 as a wartime buildup.

The OCDM has the authority to dispose of these materials if they become surplus to the Government's goals for supplying U.S. industry during a national emergency.

Last year the OCDM revised its stockpile objectives from a 5-year emergency stockpile to a 3-year emergency holding.

However, the Government was still obligated under its DPA contract to continue buying copper and some other metals.

PREVENTED BREAK IN MARKET

The Senators and Congressmen who yesterday attacked the Government for considering disposal of copper on the domestic markets by the Government agencies openly declared today that they felt their prompt action had prevented the disposal of this copper which they believed would have resulted in breaking the market in that commodity.

GSA is believed to have on hand up to 128,000 short tons of copper in its DPA holdings.

BORROWING AUTHORITY NEEDED

The copper controversy which broke out yesterday on both floors of the Congress may also have been the result of a calculated political move in the struggle between the administration and the Congress over money.

The GSA is said to be short of money to pay its "put" right obligations to copper and aluminum producers who have been selling

stocks of these and other metals to the Government under Defense Production Act contracts signed in the Korean war era when metals expansion was considered essential.

ODM and GSA must go before Congress this year to raise funds to cover such metal as may be put under these contracts. The Congress already has indicated it would not approve authorizing this money on a borrowing authority basis, which would place the money borrowed from the Treasury outside the obligations of the Federal budget.

ODM has been warned that it must seek the funds through regular appropriation channels, and this must be done in the near future.

The storm brewed yesterday in Congress by the possibility of the Government selling copper certainly must be interpreted as a warning that the Nation's industry would resist strongly such sales, to say nothing of the violent reaction that took place on Capitol Hill.

The fact is that the time is nearly due for the Federal agencies involved to come before Congress to seek, among other moneys, what they believe they will need to meet their "put" rights in fiscal 1960, and these "put" rights still involve copper.

INDUSTRY UNCERTAINTY—LONDON SAGS

NEW YORK, April 16.—The industry's reaction to OCDM's noncommittal stand on the possible sale of DPA copper has been universally hostile. The mushroom cloud of uncertainty cast over the market by the Washington developments has brought weakness to most prices. An exception is the 31½ cents primary producer quotation which is well sustained by heavy consumer demand.

In the key London Metal Exchange market today, quotations tumbled by the equivalent of three-fourths cent per pound at the first call. They steadied at the second call so that both spot and 3 months prices finished at £229 15s. per ton. This was a net decline from Wednesday of £5 15s. Trading was heavy with 5,700 tons changing hands.

Comment from London noted a weakness in the 32 cents U.S. custom smelter price as well as a dormant demand for copper in Europe.

Trade quarters calculated that today's closing price in London means that foreign copper can be delivered in the United States competitively with the 32 cents smelter quotations.

BELGIAN PRICE CUT MORE THAN A CENT

Following the heavy decline in the London market, the big Belgian Congo producer, Union Miniere du Haut Katanga, has reduced its electrolytic copper price to 33 Belgian francs per kilo. This is equivalent to 29.95 cents per pound, f.a.s. New York, a reduction of 1.12½ cents.

SMELTERS QUIET—SCRAP CUT ONE-HALF CENT

Custom smelters who were finding a receptive market for copper at 32 cents prior to the Washington news, cannot dispose of metal so readily now. One smelter today was able to report only a small sale and commented that buying interest was very limited.

In merchant circles it was reported that business was active at 31½ cents per pound.

Custom smelters this morning reduced their buying prices for scrap by one-half cent to the basis of 25¼ cents per pound for No. 2 copper scrap. Dealers say they are uncertain and nervous about the price outlook.

FUTURES FIRMER

Following the violent reaction of the New York futures market to Wednesday's news from Washington, today saw some recovery in prices on Comex. Closing quotations were up by 13 to 40 points from the previous day, although they were lower at the opening. A total of 686 lots or 17,150 tons was traded.

BRASS, BRONZE INGOTS DOWN 1 CENT

Following the lower prices paid for scrap, a leading maker of brass and bronze ingots in the East today reduced the selling price on all grades of ingot by a flat 1 cent per pound. Other firms followed.

A Chicago report indicated that Midwest ingot makers joined in the price reduction.

[From the Wall Street Journal, Apr. 17, 1959]

ADMINISTRATION DOES NOT INTEND DUMPING COPPER, GOLDWATER STATES

WASHINGTON.—Senator GOLDWATER, Republican, of Arizona, reported that the administration has no intention of dumping large amounts of stockpiled copper on the market but instead is trying to find a way to get rid of a little bit at a time.

Mr. GOLDWATER's statement came after the Senate Interior Committee hurried through a resolution expressing Senate opposition to rumored reports that the Office of Civil and Defense Mobilization may sell up to 128,000 short tons from the copper stockpile. The resolution, piloted by Assistant Democratic Leader MANSFIELD, of Montana, is slated for early Senate approval.

The OCDM, which administers the Government's stockpile, said Wednesday it is actively reviewing the copper decision and may make a decision on disposal later this week.

Mr. GOLDWATER, a high ranking member of the Interior Committee, told a reporter that he will seek a firm commitment from the administration that it plans no action which would depress the copper market. "I got the impression that they do not plan anything more than a very gradual disposal," he added.

The Senate resolution contends that release of the copper stocks would do "incalculable danger to the national security and to the economic well-being of the Nation."

OCDM can dispose of any stockpiled material surplus to Government needs. Officials of the agency have revealed that such a surplus exists in copper because of a change in the stockpile objective last year from one designed to meet 5-year emergencies to one aimed at meeting a 3-year war situation.

COPPER MARKET JITTERY

NEW YORK.—The markets for copper yesterday continued jittery, reflecting further the uncertainties created by word the Government is considering releasing copper for sale from its stockpile.

Copper price movements mostly were on the downward side again, with the London price breaking about three-quarters of a cent a pound to the equivalent of about 28.75 cents asked on the London Metal Exchange for immediate delivery metal. This was in addition to a three-eighths of a cent drop there on Wednesday.

Industry men noted that at the current London quotation it now becomes more profitable to sell foreign metal in the United States than to European consumers based on current quotations, even after payment of the 1.7 cents a pound U.S. import tax. The U.S. producer price is 31½ cents a pound, and the U.S. custom smelter quotation is 32 cents a pound.

Custom smelters cut their buying price for scrap copper one-half cent, putting No. 2 copper wire scrap at 25¼ cents a pound. This is equal to about 30¾ cents a pound for refined copper processed from the material and ready for shipment 3 months from now.

The big Belgian Congo copper producer, Union Minière du Haut Katanga, cut its price by 1½ cents a pound to 29.95 cents a pound at New York and Antwerp. The New York price does not include the 1.7 cents U.S. copper import tax.

Opening call—London Metal Exchange prices, Apr. 17, 1959

Metals	Pound rate	United States	Up
Copper:			
Electric—Spot:			
Bid.....	£234.5	\$29.46	£4.10
Asked.....	234.15	29.53	4.15
Electric—3 months:			
Bid.....	234.10	29.50	4.15
Asked.....	235.	29.56	5.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 101) was agreed to, as follows:

Resolved, That it is the sense of the Senate that the best interests of the country, from both the national security and economic standpoints, will not be served by the release of any part of any governmental inventory of copper at this time, but on the contrary incalculable damage to the national security and the economic well-being of the Nation would result by such action.

The preamble was agreed to.

STRATEGY FOR SURVIVAL—ADDRESS BY SENATOR JACKSON

Mr. MANSFIELD. Mr. President, yesterday the distinguished junior Senator from Washington [Mr. JACKSON] addressed the National War College on the need for a clear and goal-directed national strategy for victory in the contest with world communism.

His address deserves the widest possible study. It deals with one of the most critical problems facing this Nation. The Senator from Washington not only makes the case that we cannot win the cold war without a strategy for winning, but he offers constructive suggestions to remedy the situation.

I am glad the Senator from Washington is not letting the matter rest here, but that he will follow through on it in the Committee on Government Operations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the complete text of the speech entitled "How Shall We Forge a Strategy for Survival?" delivered by the junior Senator from Washington before the National War College on April 16, 1959.

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

HOW SHALL WE FORGE A STRATEGY FOR SURVIVAL?

(By Senator HENRY M. JACKSON, of Washington)

Admiral Ammun, General Mundy, faculty, members of the National War College, and Industrial College of the Armed Forces, I am honored to have this opportunity to talk to you again. I thoroughly enjoy these occasions—above all the question period which follows this opening statement. So I will immediately get down to the presentation of my theme.

The central issue of our time is this: Can a free society so organize its human and material resources as to outperform totalitarianism? Can a free people continue to identify new problems in the world and in space—and respond, in time, with new ideas? I think you would agree with me that the

answer to these two questions is now in doubt.

Only 1 out of every 16 people in the world is an American. We occupy only 7 percent of the earth's land. Yet we carry the major burden of creating a world environment in which the democratic experiment can survive and prosper.

In performing this task, a host of new problems crowd upon us: the rising nationalisms in former colonial areas, the mounting pace of technology, exploding population growth, atomic weapons in the hands of more and more states. And complicating all of them is the increasing severity of the Sino-Soviet challenge.

The danger of a shooting war is clear.

We should expand military programs to develop the strength we need to win any war that might be forced upon us. We ought—and I use the word deliberately, for it is fundamentally a moral issue—we ought to do whatever is necessary to win and hold a decisive lead in the race for new weapons systems. And, together with our allies, we ought to develop strength adequate to protect the free world with limited means against limited aggression.

It is absurd to say that we cannot afford to do these things. We cannot afford not to do them.

Could there have been anything more unimaginative than the defense budget ceiling of \$14 billion in 1950—just before the Korean attack? In 3 years we had to treble our defense program, and we have maintained it at substantially that level ever since. Now even a \$40 to \$41 billion defense program isn't enough.

Yet our leadership has reverted to the arbitrary budget ceiling—an ideal device to obscure the real requirements of survival.

It is high time that we ceased being victims of a budgetary fetish. We should determine our defense needs in the light of the threat. Then we must find economically sound ways to meet those needs—by expanding our economy, and, if necessary, by providing more funds through additional taxes.

But today I wish to speak of the perils of the cold war. If we do what we ought to do militarily, we may not have a big shooting war. In that case, the decisive struggle of our time will be fought on the battleground of the cold war. And that is precisely the battleground where Premier Khrushchev thinks he can beat us, plans to beat us, and will beat us unless we get to work.

What is this cold war all about? It is a war to determine what kind of world system is to be created on this planet, a Communist world system or a world system in which free institutions can survive and flourish.

By outperforming us in one field after another, the Communists plan to demonstrate that their system represents the inevitable wave of the future, and that our friends and allies have no realistic alternative except to join forces with them.

Loss of the cold war could be as final, and fatal, as defeat in an all-out war. And now we are losing the cold war, when we could be winning it.

Our own power as against that of the Communist bloc is in decline. We are losing ground in one field after another—military power, economic strength, scientific capability, political influence, and psychological impact. We are going downhill at an accelerating rate—which is the normal way of going downhill. And if that is a joke, it is a grim one.

The results of a continuation of this decline can be predicted with almost mathematical accuracy. The combination of growing Communist power and weakening American power will produce a chain reaction of defeats for the free world. Finally, as the culmination of retreat, after retreat, after

retreat, we will stand at bay—isolated and desperate.

There is no lack of good ideas as to what we have to do to reverse the tide of events. Over and over again lecturers here at the War College have said what we should do:

We should move faster to the invulnerable military deterrent, the Minuteman, and the Polaris missile system.

We should expand our economy at an annual rate of 5 or 6 percent, not 1 or 2 percent.

We should strengthen education across the board, especially in the sciences and foreign languages, but being careful not to neglect the social sciences, which are, so to speak, the sciences of the cold war.

We should increase our technical cooperation and development loan programs.

We should make a dramatic demonstration of our power to help the economically impoverished countries, and underwrite India's historic development program.

We should rally more of our best brains into public service.

We should be doing all these things—and many others.

Committee after committee has proposed programs to fortify our position in the cold war. Indeed, for every new crisis we seem to get a new committee.

It is a formidable succession—for example, the Finletter Committee, the Gray Committee, the Paley Commission, the Sarnoff Commission, the President's Committee on Scientists and Engineers, Citizens Advisers on Mutual Security, the Gaither Committee, the Draper Committee, the Bochenstein Committee—not to mention the Committee on Economic Development and the study groups of the Rockefeller Brothers Fund.

Over and over again these committees warn that we are losing the cold war. Over and over again they recommend policies to stem the tide.

Their reports are not refuted. But neither are they acted upon. They are simply referred to some other committee for study. After a decent interval, they are moved to some file drawer in the Pentagon or the State Department, there to await eventual transport to the National Archives and Records at Eighth Street and Pennsylvania Avenue NW.

And of what value are all the good ideas if nothing ever comes of them?

The truth is we know pretty well what we should do. The tragedy is we have not done it, we are not doing it, and we show few signs of doing it.

Why are the American people failing to pull themselves together and act on the good ideas available? What is missing?

Certainly we do not lack a worthy cause—freedom. Certainly we do not lack the capacity for hard work—that is our tradition. Certainly we do not lack material resources—we have plenty of them and we could easily have more. Certainly we do not lack brainpower—we have an abundance of that.

What seems most to be missing is a coherent and purposeful national program that sets forth in simple terms what we have to do to survive, and why.

In wartime, there is a basic strategy to defeat the enemy. Our leaders know, and our people know, what they are trying to do, and what is demanded of them. This makes possible the marvelous unity and energy of wartime.

We have no comparable strategy for the cold war. Our leaders do not know, and the people surely do not know, what our purposes are and how we propose to achieve them. The harsh tasks of the cold war are glossed over with soothing clichés and platitudes. Our people are never told what is required of them. The Congress is presented with only bits and pieces of policies—that give us no clear idea of what the executive branch is really trying to accom-

plish. And how can one expect to win any struggle unless one has a strategy for victory?

In this respect, the British in the 19th century were far ahead of us. The British leaders knew what they were doing and how they intended to do it. They were running a great empire and they had to maintain the freedom of the seas. Their people understood what was required—they were indoctrinated in their duties from the cradle. Everyone knew the importance of a good education, the need to train for posts throughout the Empire, the indispensability of a strong navy, and the significance of free trade.

During the 19th century the British people showed extraordinary energy and sustained a prodigious national effort.

By contrast, we seem to manage only sporadic effort. Comes a crisis we may arouse ourselves to take emergency action. We appoint a Science Adviser to the President, we rush wheat to India, we improvise an airlift to Lebanon, we consent to a summit meeting.

But at no time are the vital energies of our people fully engaged. At no time are our people shown the whole package of effort that is needed. At no time are the tasks of the cold war presented in terms that are meaningful to men at the work bench, to shopkeepers, to children in school, and to housewives.

In short—we do not have a national strategy that elicits the interest, support and continuity of effort necessary for survival.

How can we get that kind of a national strategy?

More dynamic leadership would, of course, help. There is no substitute for brains and firm direction of Government policy.

For example, when General Marshall reached the conclusion that we had to do something about Europe's economic plight in 1947, there was little problem in mobilizing talented people and public support to translate this idea into the highly successful European recovery program.

But it is not a satisfactory system that is completely dependent upon the personality of a single leader—or a handful of leaders. The stakes are too great for us to bank on the all-pervasive wisdom of our top leadership. We should have sound methods for preparing a national strategy—that will strengthen the hand of our leaders whatever their caliber, and make even an excellent leader that much more effective.

If we could get top-level officials to stay longer on the job, of course that would help.

I trust we can make some progress in this field, but we cannot expect spectacular results. A rapid turnover in top-level people is not simply the mark of the present administration. It has been true of every administration in recent times.

One thing I am sure would help—better machinery for policymaking.

Organization by itself cannot assure a strategy for victory in the cold war. But good organization can help, and poor organization can and does hurt. Let's face it: we are poorly organized.

Also, unlike some problems that confront us, that of organization is within the power of the Congress to tackle.

We now have an enormous executive branch and elaborate policy mechanisms: The Office of the President, the Cabinet, the National Security Council, and its two subsidiaries, the Operations Coordinating Board and the Planning Board. We have the Joint Chiefs of Staff, the Office of the Secretary of Defense, the Office of the Secretary of State—departmental planning staffs, and hundreds of advisory boards, steering groups, interdepartmental committees, and special Presidential committees like the Draper Committee.

Yet this modern Hydra, with nine times nine heads, fails to produce what we need. According to the chart it does the job:

The Planning Board of the National Security Council plans and proposes new policies and programs. These go for consideration to the heads of Departments who are members of the National Security Council. An agreed paper is approved by the National Security Council—which serves as an advisory board for the President. The President decides. The policy is then implemented under the watchful eye of the Operations Coordinating Board. And the President has a clear and consistent policy to spell out for the American people.

The procedure is pretty as a picture—and that is what it is, a pretty picture on an organization chart. It has little or nothing to do with reality.

First, the NSC is not and by its nature cannot be an effective planning agency, except in the most Olympian sense.

The President may and should make the most basic strategic decisions—such as the decision in 1941 to defeat Germany first and Japan second. In making such decisions the President no doubt needs the advice and counsel of an agency like the NSC. But neither the President nor the NSC and its Planning Board can make the detailed plans necessary to give effect to the basic strategic decisions. Planning of this sort requires the knowledge and experience of the expert, and also the resources and the environment of the Department having the main responsibility for the operations being planned. It is only in the Department concerned that the necessary conditions for extended creative planning work can be provided. And of course there must be cross-contacts and cross-stimuli between experts in the several Departments, at the level where planning is done.

The proper role of the NSC is to criticize and evaluate departmental planning and proposals in light of the knowledge, interests, and possibly conflicting policies of other Departments. In this way what we call a coordinated view may be developed, and such a view may be very helpful to the President in making a clear determination of the Executive will.

If, however, the official views of other departments are expressed at the planning stage, as they will be if planning is undertaken at the NSC level, compromise and departmental jockeying begin too early. The result is that clear and purposeful planning becomes almost impossible. The effort to make the NSC a planning agency, therefore, has been a serious mistake in my view.

Second, and again in the nature of things, top level officers cannot thoroughly consider or think deeply about plans. They need to be confronted with the specific issues which grow out of an effort to harmonize a new policy with other policies. The so-called planning board can be very helpful by identifying such conflicts, defining them sharply, and presenting the distilled issues to the top level for decision. This is an essential function—but it is not the first step in policy planning and should not be mixed up with the first step.

You know the typical week in the life of a Cabinet officer—seven formal speeches, seven informal speeches, seven hearings on the Hill, seven official cocktail parties, seven command dinner engagements. It is a schedule which leaves no time for the kind of reflection essential to creative planning. What they can do, should do, must do—and all that they should be asked to do—is to pass judgment on sharply defined policy issues.

Of course Cabinet members have the obligation to encourage and back the officers in their department who are charged with policy planning. The responsibility of the policy

planner should run clearly to his departmental head. In this way staff planning can be geared into line decisions—and the authority of the departmental head can support and strengthen the hand of the planner.

But I am convinced that we will never get the kind of policy planning we need if we expect the top level officers to participate actively in the planning process. They simply do not have the time, and in any event they rarely have the outlook or the talents of the good planner. They cannot explore issues deeply and systematically. They cannot argue the advantages and disadvantages at length in the kind of give-and-take essential if one is to reach a solid understanding with others on points of agreement and disagreement.

Third, and largely for these reasons, a plan originating in the NSC will almost inevitably possess a fatal flaw; namely, a lack of internal consistency.

Good plans must be coherent; they must have sharp edges, for their purpose is to cut through a problem; their various elements must be harmonious and self-supporting. They must have the kind of logic, or, if you prefer, the kind of thematic unity which grows out of the uncompromising and uncompromised efforts of a creative mind. Compromise must come, but it should come after the planning process has been completed and as an adjustment of conflicts between a coherent plan and other coherent plans.

As you well know, NSC papers are in the end the result of compromises between different departments. That is as it must be. The question is: What should the NSC seek to compromise? My answer is that the NSC should be presented with the most sharply defined policy issues and choices, not with papers which have already lost their cutting edge by a process of compromise at lower levels. When compromise begins at the planning stage, the issues which come to the NSC have already lost their sharpness, clarity, and bite. The paper which is already inoffensive to every department may be easily approved, but it is also useless.

In short, plans which do not lead to sharp disputes at the NSC level are not good plans; they do not present the kind of issues which the top level ought to be called upon to decide in this hard slugging contest between the Sino-Soviet bloc and ourselves.

There is, I submit, a role for both chiefs and Indians, and only confusion can result when the Indians try to do the work of compromise which is the job of chiefs.

As it now functions, the NSC is a dangerously misleading facade. The American people and even the Congress get the impression that when the Council meets, fresh and unambiguous strategies are decided upon. This is not the case, though it ought to be the case. The NSC spends most of its time reading papers that mean all things to all men.

An NSC paper is commonly so ambiguous and so general that the issues must all be renegotiated when the situation to which it was supposed to apply actually arises. By that time it is too late to take anything but emergency action.

Fourth, national decisionmaking, as a result, becomes in fact a series of ad hoc, spur of the moment, crash actions.

Because the NSC does not really produce strategy, the handling of day-to-day problems is necessarily left to the Departments concerned. Each goes its own way because purposeful, hard-driving, goal-directed strategy, which alone can give a cutting edge to day-to-day tactical operations, is lacking.

Henry Kissinger has well described the kind of strategy which is the product of this process: "It is as if in commissioning a painting, a patron would ask one artist to draw the face, another the body, another the hands, and still another the feet, simply be-

cause each artist is particularly good in one category." It is small wonder that the meaning of the whole is obscured both to the participants and to the public.

Indeed, and this is perhaps the most serious criticism, our present NSC system actually stultifies true creative effort in the executive branch.

Because planning is supposed to take place at the NSC level, the Departments are relieved of responsibility for identifying upcoming problems and for generating new ideas and are even discouraged from trying. The Indians are supposed merely to carry out existing policy, not to propose new policy. The result is that a vast reservoir of talent goes largely untapped.

Creative thought generally springs from daily concern with real problems, from the efforts of operators to operate. The new idea seldom comes from the man who turns his mind to a problem now and then; it comes from the man who is trying to lick a problem and finds that he can't lick it with the tools he has.

The present NSC process, furthermore, has reduced the cross-contacts and cross-stimuli between the Departments and services at the level where planning and operating take place or should take place.

One reason for this is that, in principle, no contacts are needed if policy planning is reserved to higher levels, and the lower levels are supposed to restrict themselves to carrying out instructions. Another reason may be that when planning is reserved to the highest levels, each Department considers that it must prepare to fight a battle in the NSC for its special point of view. It, therefore, mobilizes itself for making its case in a manner that will support and show off the departmental viewpoint to the best advantage. Contacts with other Departments are discouraged because they might provide them with arguments with which to rebut the views of one's own Department.

The bankruptcy of the present NSC technique is dramatized by the administration's increasing reliance on distinguished citizens committees both to review past policies and also to recommend future action—the Gaither Committee, the Draper Committee, the Bochenstein Committee—and so on. These committees may come up with excellent ideas—though this is probably the exception, not the rule. But few of the ideas are used.

Once such a temporary committee has presented its report, it is obviously in a poor position to fight its suggestions through to a decision. And the fresher its ideas, the greater the need for a hard fight to overcome vested interests in current policy. The fate of the Gaither report is a classic case in point.

The sum of the matter is this: Our governmental processes do not produce clearly defined and purposeful strategy for the cold war. Rather they typically issue in endless debate as to whether a given set of circumstances is in fact a problem—until a crisis removes all doubt, and at the same time removes the possibility of effective action.

I grant that the cold war challenges our organizational ability to the limit. Yet think back to what we accomplished in World War II. With the stimulus of war, we put together a clearly defined national program of requirements and priorities. Then we set national goals to meet them. And we exerted the needed effort. Between 1940 and 1944 we increased the real value of our gross national product by 55 percent, and while putting 11 million men into uniform and sending them all over the world, we were still able to increase the real consumption of goods and services by about 11 percent during that period.

Or think back to Korea. Between 1950 and 1953 we increased the real value of our gross national product by 16 percent, and

while multiplying defense expenditures threefold, we increased the real consumption of goods and services by about 8 percent.

Can we organize such an effort without the stimulus of war? This is the hard problem of our time. Can a free society successfully organize itself to plan and carry out a national strategy for victory in the cold war?

I recently proposed to my colleagues in Congress that we make a full-dress study of this problem, with public hearings and a formal report. This would be the first congressional review of Government methods for formulating national policy in the cold war. The study would be conducted in a nonpartisan manner. We would not be interested in destructive criticism but in constructive help.

The general questions that need consideration run something like this:

1. What is the present structure for formulating national policy?
2. What is it supposed to accomplish?
3. Is it doing it?
4. In what areas are there grave shortcomings?
5. Why is this the case?
6. What improvements should be made?

We need to find out why critical issues constantly fail to rise to the level of national decision—in time. Experts down the line often see an issue, debate it, and write a paper about it, then the problem gets lost on its tortuous movement upwards through the layers of bureaucracy.

Over and over again, vital questions never get before top officials in such a way that those officials have to face them, take responsibility for them, and decide them one way or the other.

Might there be some way in effect to force top-level response to specific ideas and issues? For example, why did it take a letter from the Congress as late as 1955 to induce the President to receive his first full-scale briefing on the status of our ballistic missile program?

In addition, we should ask this kind of question:

1. Does a case history of NSC 68 reveal useful lessons for the future? This paper, which proposed a major defense buildup, was worked out in 1949–50, before the Korean attack, but it was signed by President Truman only after the attack. To my knowledge it is the first comprehensive statement of a national strategy.

2. Did the NSC fully consider the psychological impact of permitting the Russians to register scientific firsts in the intercontinental ballistic missile, in orbiting a satellite, and in sending a rocket beyond the moon? Was a decision taken that these scientific firsts did not matter?

I know there are some people who believe these scientific firsts do not matter. I think they are 100 percent wrong. The psychological impact of being the first to put a man on the moon cannot be underestimated. It will make an enormous difference to the in-between world and to the Russians as well—if they do it first. It will even give us cause to doubt our own abilities.

3. Has the NSC considered and decided whether or not to make it a goal of national policy to substantially increase our gross national product—say from 1 or 2 percent to 5 or 6 percent?

The difference between a 3-percent and a 5-percent rate is staggering. In 10 years—one short decade—our economy could turn out an extra \$630 billion if we could step up our rate of growth from 3 percent to 5 percent.

If this goal has not been considered, who in the Government prepares the alternative policy recommendations on this problem? And who actually makes the decision?

4. Has the NSC prepared a paper analyzing the implications of an arbitrary defense

budget ceiling both for our defense program and for the strength of our political and diplomatic hand?

5. How much consideration has been given to the implications of the use of nuclear weapons in limited war? How has this matter been presented to the President?

6. Has the NSC prepared a paper analyzing the alternative ways this country could support and finance an increased defense program? Has such a paper been discussed by the Cabinet?

7. Has the NSC considered the relation of our present output of scientists and engineers to the future needs of defense and welfare, and made alternative recommendations to the President?

At this point, you could legitimately ask what constructive remedies the Congress can hope to recommend?

I believe there are at least two main areas where Congress could make helpful proposals:

In the first place, better ways can be found to stimulate deep, sustained, creative thinking about the whole range of problems facing our Nation and society.

In this connection several possibilities suggest themselves.

Policy planning staffs could be set up in each main Department, with a position, role, and prestige like that of the policy planning staff in the State Department in the Truman administration.

Continuing staff relations could be organized between Defense and State, with the inclusion of other Departments as occasion warranted. These might center in joint meetings between departmental policy planning staffs, or the directors of policy planning.

Continuing cross contacts could and should be organized at other levels, like that between State and the Joint Chiefs of Staff during the Korean war.

The equivalent of a RAND organization might be organized for the executive branch, perhaps responsible to the Secretary of State.

An equivalent of a permanent Gaither committee could be organized in the form of an Academy of National Policy, outside the Government, but with access to classified information. The academy could draw on experts in defense, in the sciences, social sciences, and humanities, and on leaders from private life. Insofar as possible the academy's reports would be made public, as part of a continuing effort to develop an informed public opinion. In addition, the academy could also prepare confidential reports for use of the Government.

Unlike the Gaither and similar temporary committees, a permanent center would have a chance to build a reputation and tradition for responsible and helpful reports.

Second, better methods can be found to formulate and carry out a clearly defined and purposeful national program at the Presidential level.

Here again several possibilities suggest themselves:

The task of the NSC staff could be redefined as the identification and clarification of policy choices for the President and his principal advisers. Its purpose would not be to reach ambiguous compromises, but to sharpen policy choices in order to assist the President and the NSC to see the issues clearly and thus to decide them intelligently. This change would recognize, in organizational terms, that the proper role of the President and his advisers is to make choices between clearly stated and sharply defined proposals.

The central role of the Secretary of State could be affirmed by giving him primary responsibility for the initial presentation to the council of the NSC papers in which policy choices are defined.

The NSC staff could be reorganized, and composed of the heads of the departmental

policy planning staffs, responsible to their department chiefs. That kind of a staff would be better prepared to define issues and thus to prepare the way for intelligent decisionmaking at the top level than the present staff which is responsible to an independent director.

In short, NSC staff papers could be shaped to force the careful weighing of alternative courses of action by NSC members, and to force the chiefs of departments and the President to make the choices between alternatives that they should make.

Let me say at this point we could develop excellent machinery and come up with all kinds of fine proposals—but if these proposals never reach the top level for decision, then we would be no better off than at present. We would be right back with the Gaither report. I am not sure what the full answer is. As I have indicated, this aspect of the problem must be thoroughly considered by our congressional inquiry. I am sure, however, of what we need and are looking for—a national policymaking system that by its nature gets critical issues, sharply defined, up to the highest level where a conclusion can be reached on them—in good time.

Finally, given the kind of national strategy I have been talking about, the Operations Coordinating Board would come into its own. There is a need for such an agency. The committee headed by William Jackson, way back in 1953, had a good idea. But the coordination of operations presupposes a guiding national strategy and the Operations Coordinating Board cannot coordinate because this precondition is lacking. It cannot direct until it receives strategic directives. It cannot wield the baton because there is no orchestra, only a collection of anarchic musicians each playing his own hot licks on his own instrument with his own music.

Of course, a new and better organization of itself is not going to be the whole answer. At best, organization can only help.

You know well enough how much we need vigorous and creative national leadership. Most of you know from personal experience the importance in high places of a hospitality to ideas. And there must be a recognition of the fundamental problem.

Perhaps I am wrong, but I think our fundamental problem is that we do not have a national strategy for victory in the contest with world communism.

At this point in our history, I believe there is no more important contribution that the Senate could make than to prod, poke, and irritate the executive branch into developing such a strategy and organizing our Government for that task.

And I do know this, and with the immodesty becoming a Senator I will assert it with all the force I have: without such a clear strategy, it will prove increasingly difficult to get the public and congressional support that is the essential underpinning of the adequate, purposeful, continuing action on which victory in the cold war depends.

It is far more difficult to generate the enthusiasm for the long drawnout efforts of the cold war than for the dramatic clashes of a hot war. It is on this fact that Mr. Khrushchev is heavily banking. All the more important, therefore, is the formulation of a clear and understandable strategy for victory.

In conclusion, let me just say this: We fail to act on the good ideas available. We fritter away our strength on secondary matters. We fiddle trifling tunes while the world burns. But back of all that—still the true glory of a free society is its central conviction: The world can be made a decent place to live in—a world of peace, material well being, justice, and freedom—a world in which no individual is lost and none is forgotten.

Free men are the real champions of the future. We are the bearers of the truly revolu-

tionary idea of our age—that the quest for human welfare and the quest for human liberty are one and the same quest.

The truth is that to every threat of defeat there has always come the resolute response of freemen: "It shall not be."

This can be so again, as we in our time bend our efforts to building the decent world for which we stand—knowing that humanity's hope depends upon it.

AGRICULTURAL ACT OF 1959

Mr. CAPEHART. Mr. President, many very important matters come before the Senate and House of Representatives. For example, today Mr. Castro is in Washington. His visit is important. At the moment, a number of luncheons are being held. Among the very important matters we have to consider is the foreign situation.

However, Mr. President, the subject I wish to discuss today, and in connection with which I shall introduce a bill, is, in my opinion, more important, or possibly it is the most important issue facing the Congress.

At this point let me say that last evening I mailed to each Member of the Senate and to each Member of the House of Representatives a copy of the remarks I shall make today, together with a complete analysis of the bill I shall introduce.

Mr. President, two groups are looking to us to solve the farm problem. When I say they are looking to "us," I mean they are looking to the Congress of the United States, because only the Congress can change existing laws, enact new laws, appropriate money, and give direction to the Secretary of Agriculture and to the President of the United States.

The two groups which are looking to us to do this are the taxpayers generally, and the farmers, specifically. The problem is serious for both of them. It is serious for the taxpayers because this year the cost of operating the Department of Agriculture will amount to more than \$6 billion. I repeat, Mr. President, that the cost will be in excess of \$6 billion.

The problem is very serious so far as the farmers are concerned because farm commodity prices are far too low in relation to production costs. I wish to repeat, Mr. President, that today farm commodity prices are much too low in relation to production costs.

Let me give an example of how serious this matter is. It is almost unbelievable, but it is true, that this year the cost of operating the Department of Agriculture, for all purposes, is estimated to be approximately \$6,500 million. Yet the estimated net income of all American farmers for this year is a little more than \$13 billion. Those facts ought to attract the attention of every Member of the Senate. In my opinion, those facts are much more important than the visit of Mr. Castro. Our Government, through the Department of Agriculture, is spending \$6,500 million for all the purposes of the Department of Agriculture. Not all of that amount is for price supports, but the great majority of it is. Yet, as I have said, the net income of all American farmers is a little more than \$13 billion. In other words, the Department of Agriculture is spending half as much

money as the total net income of all American farmers; and I believe there are in excess of 5 million of them.

Another shocking fact is that the Government owns more than \$9 billion worth of farm commodities, and the amount will increase to in excess of \$10 billion worth before the end of this year. Those who are much closer to the situation than I am and are much better informed on these matters than I am say that if something is not done about existing laws and existing administration and unless some appropriate action is taken, the value of the farm commodities the Government will own will rise to possibly \$11 billion, \$12 billion, \$13 billion, \$14 billion, or \$15 billion.

Mr. President, what is the problem? It is the low prices for farm commodities, because if there were not low prices for farm commodities, it would not be necessary for us to have any Federal legislation at all on this subject. If there had not been low prices for farm commodities in 1933, a price support law would not have been enacted at that time. If there had not been low prices for farm commodities in the 1920's, when, I believe, the first Federal legislation in this field was enacted, that action would not have been necessary.

So the problem is what to do about the low prices for farm commodities. Certainly there is no lack of production, and certainly there is no problem in regard to the quality of production, because the American farmers are producing huge quantities, and the quality is excellent.

Mr. President, what causes the problem? What has caused the low prices for farm commodities? I think the low prices have been caused by overproduction; and I think everyone agrees on this one point. Or, to state the matter in another way, the problem is due to underconsumption or lack of markets. So the trouble is either underconsumption or lack of markets or overproduction; all three of them mean the same thing.

There is another reason for the problem; and it should not be overlooked, because it constitutes a very serious contributor to the problem—namely, governmental laws, rules, regulations, and administration of the laws.

Mr. President, what did the Congress do about this problem? Possibly the Congress is responsible for the situation, because Congress has been passing laws in this field for many, many years.

We could forget the problem, or we could say there is no problem. We could repeal all such laws, and we could let the law of supply and demand prevail. In fact, I have heard many persons say that should be done; among others, I have heard Senators and Representatives say it should be done; and I, myself, have given a great deal of thought to that suggestion.

But when we consider and study that proposal, we come up against a stone wall: namely, the fact that the Government has on hand \$9 billion worth of farm commodities, and soon will have \$10 billion worth of them, and during the present calendar year has a contract with the farmers to support the prices of

corn, wheat, and other farm commodities. So it would not be simple to repeal these laws.

Mr. MUNDT. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. MUNDT. Another difficulty, as the Senator from Indiana well knows—because for a long time he has been a careful student of this problem—is that to repeal all these laws and to let the law of supply and demand operate would be one thing, if we were living in an economy in which other segments of the economy followed that formula; but we cannot escape the fact that we are living in an economy in which the farmer is compelled to pay for the things he buys in conformity with restrictions and regulations which are replete in our economy, as it functions today. The farmer is a great consumer. Consequently, a wage-hour contract which is legitimized and legalized by law has its impact upon the farmer. Similarly, the minimum wage law has its impact upon the farmer. Each of the various regulations by the Interstate Commerce Commission of the transportation rates has its impact upon agriculture, as does the fact that the Government has adopted, as standard operating procedure, the provision of grants in aid, subsidies, and floors or guaranteed returns for manufacturers who have military equipment contracts or contracts with the U. S. Maritime Commission or contracts to supply the aviation needs of the Government.

So it is somewhat unrealistic to say that, "After all, a laissez faire economy might have its merits, and we will try it out on the farmers." But it cannot be done in an era and in an economy in which other segments are undergirded, reinforced, and supported by Government grants and aid by way of legislation. As a consequence, national legislation must find some way to enact legislation which will protect the farmer and promote his interests in a period when other segments of our economy, almost without exception, have Federal agencies, commissions, boards, guarantees, and aids protecting them in their places in the economy.

Mr. CAPEHART. I thank the Senator from South Dakota. There is no question that what he has said is correct. We must do something, and do it quickly, because the problem will not solve itself.

Let me give the Senate another startling statistical fact, at this point, because I think it is a good place to do so when I make the statement that the problem is not going to solve itself.

Since 1933 the American taxpayers have put up \$30 billion to support farm prices; and \$15 billion of that amount has been spent in the past 6 years. The other \$15 billion was spent in 21 years. That is proof positive that, from the taxpayer's standpoint, the situation is becoming progressively worse.

I do not believe the taxpayers would object to the expenditure of the \$30 billion, or the \$15 billion in the past 6 years, had the expenditures accomplished the purpose for which they were intended, namely, the maintenance of fair prices

for agricultural commodities. But the program has not brought about that result. The situation is that the taxpayer is putting up vast sums of money for a program which is not working, and the farmers are not deriving any benefit from it. As I have said, this problem will not solve itself, and I think we may as well make up our minds to that fact.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. YOUNG of North Dakota. Does the Senator believe lowering price supports would help solve the problem? We have been lowering them every year for several years, and it seems to me conditions are growing worse all the time. Does the Senator agree?

Mr. CAPEHART. I certainly agree that, to the extent the system we have been using is not working, farm prices are no higher than they were years ago. I certainly agree that has been the end result.

Mr. YOUNG of North Dakota. Our largest surpluses are in commodities for which price supports have been lowered the most, such as wheat and corn.

Mr. CAPEHART. I think that is correct.

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

Mr. CAPEHART. I yield.

Mr. CURTIS. I commend the Senator from Indiana for the work he has done in the field of agricultural legislation. It seems to me we must ever be mindful of the fact that agriculture has changed in recent years. I refer to the high cost of operating farms, which is reflected not only in what might be termed inflation, but by the fact that the methods of farming have changed.

There was a time when, if a farmer had a poor crop or had received exceedingly low prices, he worked all year for nothing. But, as one Nebraska farmer pointed out to me, in these days by the time he has repaired his expensive machinery and purchased certified seed, fertilizer, tractor fuel, and all the other items of cash expense, it has cost him \$7,000 in a certain year to find out he has not made any profit.

A quarter of a century ago the picture was different. The farmer would have worked all year for nothing, but his cash outlay would not have been so great. Consequently, the actual net income of the farmer is too low; and when I refer to the farmers, I mean families that live on the farms and whose sole business is farming. The very purpose of the agricultural program is to increase the income of the farmers.

I especially wish to commend the distinguished Senator from Indiana for including in his bill a measure which passed the Senate last year—and a similar bill has already been reported by the Committee on Agriculture and Forestry—dealing with new industrial uses for farm products. I believe there are very real possibilities in that field. It is the one ray of hope we have of increasing the consumption of agricultural products. I commend the Senator from Indiana for including in his measure the

section dealing with new industrial uses for farm products.

Mr. CAPEHART. Mr. President, I said a moment ago that we must do something, and that we must do it quickly. I have suggested a three-point program. Senators may disagree with parts of it, or perhaps disagree with all of it. But if Senators do disagree with parts of it or all of it, I ask them to offer a program of their own for solving the problem, or to offer amendments to my suggestions, because I think the situation has reached such a point that we must take some legislative action.

I have no particular pride of authorship. I am interested principally in one thing, namely, my desire to help solve this most troublesome and expensive problem. I know there is enough intelligence and experience in the U.S. Congress and the administration either to alleviate or greatly improve the farm situation, if we will only seriously and intelligently undertake it.

I shall now give the ideas, in brief, covered by the bill which will shortly be introduced.

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

Mr. CAPEHART. I yield.

Mr. MUNDT. Before we come to the Senator's constructive suggestions—which I may say I am eager to hear—I think it should be pointed out that, with respect to the figures quoted a moment ago, \$30 billion in all, and \$15 billion in the past 6 years.

Mr. CAPEHART. I said the Federal Government had spent \$30 billion since 1933 in supporting farm prices.

Mr. MUNDT. And \$15 billion in the past 6 years.

Mr. CAPEHART. Fifteen billion dollars in the past 6 years and fifteen billion dollars in the first 21 years.

Mr. MUNDT. I think it should be pointed out in both instances that those amounts do not represent a net expenditure. Perhaps we should think of the expenditures as being within the framework of a program in which the Federal Government has devoted that many billions of dollars to the price-support program; but, of course, substantial sums can be, have been and will continue to be recaptured as a result, for example, of the operations of Public Law 480, and some of the expenditures should be charged to it. Some of the money has been devoted to loans. In addition, of course, at the present time the Commodity Credit Corporation has a very sizable inventory of farm commodities which are not going to be a total loss. We are hopeful, if the Senator's new farm bill, or any farm bill, or a particular development, will raise farm prices, the losses to the Commodity Credit Corporation may be even more substantially minimized.

Mr. CAPEHART. There can be no question that some of the inventories on hand will offset some of the expenditures; but the fact remains that the American taxpayers have put up \$30 billion. We may get some of it back. I hope we will. There is a sizable stockpile in existence at the moment.

Mr. MUNDT. I merely wanted to be sure that no city slicker or slick magazine reporter would say that all this money had been put into the agricultural economy or funneled out to the farmers, because substantial amounts of it will be recaptured, and, furthermore, not a very large percentage of the expenditures has ended up in the pockets of the farmers.

Mr. CAPEHART. The unfortunate situation is not the fault of the farmer. It is not the fault of the taxpayer. It is simply the fault of the law and the way the law works, since it has not accomplished the purpose for which it was intended.

From the very beginning the farm law was designed to raise farmer's prices in the open market so that the prices would be satisfactory. The law has not worked that way at all.

The only time when the Federal Government or the taxpayer has to spend any money under a price support policy is when the market price is lower than the support price and the farmer delivers his product to the Government instead of to the open market.

Mr. MUNDT. The Senator is exactly correct. Consequently, if in our collective judgment we can find a way to increase the prices received by the farmers, we will immediately reduce or eliminate the drain upon the taxpayers and the Government.

Mr. CAPEHART. Let us put it this way: We have \$9 billion worth of commodities on hand now.

Mr. MUNDT. That is correct.

Mr. CAPEHART. At the time the Government took possession of those commodities from the farmers, if the free market price had been higher than the support price the Government would not have taken 1 penny's worth.

Mr. MUNDT. The Senator is exactly correct.

Mr. CAPEHART. The purpose of the program from the beginning—and it ought to be the purpose today—has been to do those things which would keep the market price above the support price. Even then the market price has to be a satisfactory price, in line with parity, taking into consideration the prices the farmer has to pay for what he buys.

Mr. MUNDT. Our program should be tailored to the goal of channeling to the farmer a payment for the product he raises, rather than having so much of the money spent in storage charges. The money goes to the terminal elevator or the warehousemen, who receive legitimate pay, but this process adds up to tremendous amounts for the storing of surplus grains which the Government would not own if we could figure out a program to provide for the farmer himself the parity level prices to which he is entitled.

Mr. CAPEHART. We either ought to give the farmers and the taxpayers a "run for their money" with a program and laws which will work, or the Government should get completely out of the farming business by repealing the applicable laws and letting the farmer run his own business. We ought to do one or the other.

Mr. President, I should like briefly to present the ideas I have in mind which are covered by the bill which will be shortly introduced. At this point, I introduce, for appropriate reference, a bill to be known as the Agricultural Act of 1959. I ask unanimous consent that a detailed summary of the bill, and the bill itself, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the summary and bill will be printed in the RECORD.

The bill (S. 1722) to reduce temporarily the production of farm commodities through the storage of surplus acreage, to discontinue certain sales of accumulated surplus stocks of such commodities, and to provide for programs of study and research for the purpose of finding new industrial uses for such commodities, thereby stabilizing prices of agricultural commodities and making possible the discontinuance of price support payments, introduced by Mr. CAPEHART, was received, read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. CAPEHART. Mr. President, I ask unanimous consent that a detailed summary of the bill and the bill itself be printed in the RECORD.

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

SUMMARY OF BILL TO REDUCE TEMPORARILY THE PRODUCTION OF FARM COMMODITIES, ETC.

TITLE I—ACREAGE STORAGE

Section 101: Amends the Agricultural Act of 1956 by adding subtitle D, "Acreage Storage Program."

Section 130: Authorizes the Secretary of Agriculture during the period immediately following the passage of the bill to and including June 30, 1960, to enter into contracts, as follows:

- (a) For a period of 5 years.
- (b) Acreage must have been devoted during at least 3 of the past 5 years to the production of wheat, corn, oats, barley, rye, grain sorghum, clover, rice, cotton, tobacco, peanuts, or soybeans.
- (c) Producer is allowed:
 - (A) Forty acres, plus.
 - (B) Half of the remaining eligible acres.
 - (d) Twenty-five dollars per acre per year payable semiannually.
 - (e) Cannot be grazed or farmed.
 - (f) Makes inapplicable certain existing provisions, relating to the conservation reserve program which are inconsistent with the purposes of the acreage storage program.

Section 131: Annual expenditure not to exceed \$1 billion. Applications for contracts will be considered on a first come first served basis.

Section 132:

- (a) Permits a producer to cancel existing contracts under acreage reserve program in order to participate in this program.
- (b) Establishes the formula under which the producer can qualify for a transfer to the new program from the acreage reserve program in the event his land has been out of production for more than 2 years.

Section 133: Establishes the crop taken out of production as the crop to which the land was devoted in the year immediately preceding the first year of participation.

Section 134: Explains that the new bill does not supersede or modify provisions of subtitle B.

TITLE II

Section 201:

- (a) Commodity Credit Corporation may not dispose of any commodity to which it has or hereafter takes title, except:
- (b) Lists exceptions permitting President to dispose of commodities, as follows:
- (1) Donation or sale for disaster relief.
 - (2) Sale or barter (including Public Law 480).
 - (3) Donation to school lunch programs.
 - (4) National stockpile.
 - (5) Donation or sale for research.
 - (6) Sale for new or byproduct uses.
 - (7) Donation or sale for national emergency.
 - (8) Sales at not less than current parity price plus reasonable carrying charges whenever the President determines it necessary to prevent hardship.
 - (9) Donations to penal institutions.
 - (10) Sales for export.
 - (11) Dispositions in order to prevent waste, to needy persons, Bureau of Indian Affairs, nonprofit organizations, etc.
 - (12) Sales for the purpose of rotating stocks.
- (c) Strategic materials acquired by Commodity Credit Corporation.

TITLE III

Section 301: Congressional declarations and findings:

- (a) Farms have capacity to produce more than can profitably be marketed.
- (b) A prosperous agricultural economy is necessary to the national welfare.
- (c) High productive capacity maintenance is necessary for national defense and security.
- (d) Basic agricultural research is essential in any long-range program.
- (e) Research programs will increase the potential for providing markets for larger production and stability of prices.
- (f) Provides for the use of the Departments of Agriculture and Commerce, universities, research institutions, private firms, both domestic and foreign, as well as the creation of pilot plants and other research and development facilities.
- (g) Provides for the enlargement of farm income while reducing costs of surplus handling and storage to the Government.
- (h) Provides for the disposition of portions of the surplus by Commodity Credit Corporation through industrial channels.
- Section 302: Establishes the Agricultural Research and Industrial Administration as an agency within the Department of Agriculture. Provides for an Administrator serving for a term of 6 years at \$20,000 per annum under the control of the Secretary of Agriculture.
- Section 303: Creates the positions of three Deputy Administrators at a grade of GS-18 and provides for other necessary personnel.
- Section 304: Authorizes the agency to coordinate its activities with other Federal and State governmental units as well as other public and private research and production organizations, by:
- (a) Making use of the facilities of Government agencies as well as other private institutions.
 - (b) Grants to educational institutions for period not to exceed 5 years.
 - (c) Contracting with foreign individuals, associations, and organizations pursuant to Public Law 480, utilizing foreign currencies and otherwise.
 - (d) To make contracts or cooperative arrangements under the provisions of sections 10(a) and 205 of the act of August 14, 1946 (7 U.S.C. 4271, 1624).
 - (e) Extending suitable incentives to farmers and others.
 - (f) Directing Commodity Credit Corporation to permit use of its stocks for such purposes.

(g) To make contracts and leases for the private operation of property transferred from another Government agency.

(h) To make loans and grants for the acquisition of necessary facilities.

(i) Provide for inventions and patents produced hereunder.

(j) To grant exclusive licenses with or without the payment of royalties for the use of patents.

(k) To pay incentive awards.

(l) To test production procedures on a commercial basis.

Section 305: To provide graduate scholarships and fellowships.

Section 306: To authorize transfer of any useful Government-owned facility to the agency, subject to the approval of the Bureau of the Budget.

Section 307: Defines "agricultural products" and "farm and forest products."

Section 308: Administrator is to make annual reports to Congress.

Section 309: Authorities under this title are in addition to authorities available under existing law.

Section 310: Appropriation.

S. 1722

A bill to reduce temporarily the production of farm commodities through the storage of surplus acreage, to discontinue certain sales of accumulated surplus stocks of such commodities, and to provide for programs of study and research for the purpose of finding new industrial uses for such commodities, thereby stabilizing prices of agricultural commodities and making possible the discontinuance of price support payments

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 "Agricultural Act of 1959".

TITLE I—ACREAGE STORAGE

SEC. 101. The Agricultural Act of 1956 is amended by adding at the end of title I thereof a new subtitle as follows:

*"Subtitle D—Acreage storage program**"Terms and conditions*

"SEC. 130. In order further to effectuate the purposes of this title, the Secretary is authorized, during the period ending June 30, 1960, to enter into contracts with producers for the storage of surplus farm acreage. Such contracts shall be entered into in accordance with and shall be subject to the provisions of subtitle B, except that—

"(a) The period covered by any such contract shall be five years;

"(b) The acreage covered by any such contract shall be acreage which has been devoted (or deemed under section 132(b) to have been devoted) during at least three of the five years immediately preceding the year in which the contract is entered into to the production of one or more of the following crops: Wheat, corn, oats, barley, rye, grain sorghum, clover, rice, cotton, tobacco, peanuts, soy beans.

"(c) The acreage covered by a contract or contracts with any producer shall not exceed (A) 40 acres plus (B) a number of acres equal to one-half the remaining acreage, if any, of such producer which is eligible under paragraph (b) to be covered by such contract.

"(d) Compensation to producers entering into such contracts shall be at the rate of \$25 per acre per year, and shall be payable semiannually, the first such payment to cover, and be made at the end of, the six-month's period immediately following the date the contract is entered into, or the date of completion of the harvesting of any crop from the acreage covered by the contract, whichever is later.

"(e) The producer shall agree not to graze any acreage established in protective vegetative cover during the life of the contract except pursuant to the provisions of section 103(a) (3) hereof.

"(f) The provisions of section 107(c), 108, and 109 of subtitle B shall not be applicable with respect to contracts under this subtitle.

"Expenditures

"SEC. 131. Contracts shall not be entered into under this subtitle which will call for an annual expenditure in excess of \$1,000,000,000. In the event applications are received for contracts under this subtitle which would result in expenditures in excess of such amount, the Secretary shall consider and act upon such applications in the order in which they are received.

"Existing Contracts

"SEC. 132. (a) Upon request of a producer, the Secretary shall terminate the provisions of any contract entered into under subtitle B with respect to any acreage in order to enable such producer to enter into a contract covering such acreage under this subtitle.

"(b) For the purpose of this subtitle (1) any acreage withdrawn from cultivation for any year for the purposes of the acreage reserve program under subtitle A shall be deemed to have been devoted during such year to the production of the commodity with respect to which it was withdrawn from cultivation under such program, and (2) any acreage withdrawn from cultivation for any year for the purposes of the conservation reserve program under subtitle B shall be deemed to have been devoted for such year to the production of the commodity produced on such acreage during the year preceding the first year in which it was so withdrawn from cultivation.

"Effect on Acreage Allotments

"SEC. 133. For the purpose of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, acreage covered by a contract under this subtitle shall be deemed for each year during the period of such contract to have been devoted to the production of any commodity produced thereon during three of the five years immediately preceding the first year for which it is so covered.

"Provision Not to Affect Conservation Reserve Program

"SEC. 134. Nothing in this subtitle shall be construed to supersede or modify the provisions of subtitle B except insofar as such provisions relate to contracts entered into under this subtitle."

TITLE II—RESTRICTIONS ON DISPOSAL OF GOVERNMENT-OWNED COMMODITIES

SEC. 201. (a) Notwithstanding any other provision of law, no agricultural commodities, title to which has been or is hereafter acquired by the Commodity Credit Corporation, shall be sold or otherwise disposed of, except as provided in subsection (b).

(b) Commodities referred to in subsection (a) may be disposed of, in accordance with directions of the President, as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954:

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7,

1939, as amended (50 U.S.C. 98-98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Sale for new or byproduct uses;

(7) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President;

(8) Sales at not less than the current parity price for such commodity, plus reasonable carrying charges, whenever the President determines that because of a shortage of the commodity such sale is necessary to prevent hardship;

(9) Donations to penal and correctional institutions in accordance with section 210 of the Agricultural Act of 1956.

(10) Sales for export;

(11) Dispositions authorized by section 416 of the Agricultural Act of 1949; and

(12) Sales for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(c) Strategic materials acquired by the Commodity Credit Corporation under paragraph (2) of subsection (b) shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended, or to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, and the Commodity Credit Corporation shall be reimbursed for the value of the commodities bartered for such strategic materials from funds appropriated pursuant to section 8 of such Act of June 7, 1939, as amended. For the purpose of such reimbursement, the value of any commodity so bartered shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such barter, as determined by the Secretary of Agriculture. In order to make payment to the Commodity Credit Corporation for any commodities so transferred to the national stockpile or the supplemental stockpile, there are hereby authorized to be appropriated amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

TITLE III—DEVELOPMENT OF INDUSTRIAL USES

SEC. 301. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry.

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber, by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy.

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations.

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture.

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities.

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, and land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts. Research, pilot plant, development and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products.

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus.

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

SEC. 302. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 6 years and who shall receive basic compensation at the rate of \$20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

SEC. 303. The positions of three Deputy Administrators of the agency shall be in grade GS-18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505 (b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided*, That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed 6 months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

SEC. 304. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is empowered to:

(a) Make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) To make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) To make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 4271, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (A) research, (B) pilot plant operation, (C) trial commercialization, (D) export of manufactured products, or (E) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, if any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) To make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) To make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however*, That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) To grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) To pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of such awards; and

(l) To test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

Sec. 305. The agency may provide graduate scholarships and fellowships and for this purpose may make grants to individuals: *Provided*, That such individuals agree to pursue courses in an accredited college or university in the United States leading to a degree or degrees in a science or field of study having application in agricultural research: *Provided further*, That the initial grants in any one year may be made to individuals to attend any one institution in a number not exceeding 1 per centum of the student body.

Sec. 306. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency, provided such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administration of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

Sec. 307. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

Sec. 308. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

Sec. 309. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

Sec. 310. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Mr. CAPEHART. Mr. President, we should make this bill the starting point from which we can get the best ideas of all interested persons.

I confess that I have changed some of my ideas on this subject because I believe present conditions, experience, and the end results of our present and past laws and policies, have failed to accomplish the purpose for which they were intended; namely, to increase farm prices and get the taxpayer out of the farming business. My question to all Senators is, Will they change their opinions? It never injures anyone to admit he may be wrong once in a while. I find, with respect to the farm problems, that many are unwilling to admit they may have been wrong in respect to some of the things they have advocated.

The purpose of the three-point program which is covered by the bill I have introduced today is as follows:

First. To reduce the number of tilled acres by approximately 20 percent until, by research utilization, we can find new and increased uses in industry for farm commodities and new and expanded markets, and until our population increase has a greater impact on total food consumption.

In other words, one purpose is to reduce production until the time when, through research, we can find new uses for farm products in industry, and new markets, and until the population can help absorb the large production of which American farmers are capable.

If Senators can tell me any other way in the world to solve the farm problem without bankrupting the taxpayers, I shall be glad to listen.

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

Mr. CAPEHART. I yield.

Mr. COOPER. I know the Senator introduced a bill in past years, and I think this year, to establish an agency for research into the industrial uses of farm commodities. I know several years ago either the President of the United States or the Secretary of Agriculture—I do not now remember which—appointed an outstanding group of men to make studies in this field, and recommendations were made by that group.

Many of us have supported the Senator's bill to provide research into the industrial uses of agricultural commodities, so I should like to ask the Senator, is anything being done about that matter?

Mr. CAPEHART. Mr. President, the answer is "No," I presume. However, the Senator will remember, of course, that last year the Senate passed a research bill. I am incorporating that bill as a part of the omnibus bill. My bill was passed last year by a vote of 82 to 0, but because of a lack of time it was not passed by the House.

Mr. COOPER. I know the Department of Agriculture has certain programs for research into the industrial uses of agricultural commodities. I know the land-grant colleges study the matter. Is there any strong and coordinated program?

Mr. CAPEHART. The answer is "No." Nobody is "crashing" the program. Nobody is pushing the program with all he has at his command. There are not sufficient funds in the Department to do that, and new legislation is needed. The bill I have introduced today will give the Department the necessary legislation. The bill introduced today includes the same bill the Senate passed a year ago.

Mr. COOPER. I join with the Senator. I do not care to interrupt him, but I should like to say that the chief source of income and the chief interest in my own State, which is a State neighboring Indiana, is agriculture. I am very much interested in the proposal of the Senator from Indiana. I think it is good for the Senator to make this creative effort toward a farm program. I have not studied it fully, but I am glad to have the Senator put forth this effort.

Mr. CAPEHART. I appreciate the remarks of the able Senator from Kentucky.

I will say again, as I have previously stated, the solution of the farm problem will require the wisdom of all Senators, of all Representatives, and of the administration. By introducing the bill I am not trying to suggest the ultimate answer, but to provide a starting point. We must get started, because conditions will grow worse instead of better. It is well for us to face the issue, and that I am trying to do. My object is to impress upon the majority of the Congress, to impress upon our friends who control the committees and who control both Houses of Congress, that a solution of the problem is their responsibility, as well as the responsibility of the minority.

I now will state the second of the points to which I was referring.

Second. To increase the purchasing power of our farms through higher commodity prices.

Third. Last, but not least, to reduce the taxpayers' load by greatly reducing the cost, looking to getting the Government and the taxpayer in a few years completely out of the farm business.

Senators will agree that these are the ultimate objectives of any sound farm program.

In other words, a farm program which does not accomplish the three objectives I have enumerated is simply not a sound program.

The question is, What is the best way to get the job done? As I have said, my bill proposes for the consideration of Senators a three-point program:

First. Take out of production 40 million acres of land producing those crops now covered by existing price-support legislation and pay the owners thereof \$25 an acre. This would not in any way affect the present soil-bank conservation reserve program.

Second. Do a real "crash" job under proper Government financing of a vast research program to discover and develop new uses in industry for everyday products of the American farm.

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

Mr. CAPEHART. I yield.

Mr. SCHOEPEL. I note what the distinguished Senator from Indiana has had to say about the figure of \$20 an acre. I am sure the Senator will agree with me that there has been much criticism all over the country of what is known as the soil bank program.

In connection with the figure of \$20 an acre, I assume that what the Senator contemplates would be done, if this measure were passed, would be that the acreage which goes into that kind of program, at that figure or some other commensurate figure, would be acreage actually devoted to the production of the crops which are under the support programs today. I mean by that, not the marginal land, not the poorest land, but land actually devoted to the production of crops. The operation of the law would have to be policed or administered to the point where only the land with the best production, or average good production, would be taken out of production.

Mr. CAPEHART. The able Senator from Kansas is 100 percent correct. However, the figure is \$25 and not \$20.

The weakness of the present conservation program is that it takes out of production marginal acres, grass lands, and pasture, and not necessarily acres which have been producing corn, wheat, sorghum grains, cotton, and the other commodities which go to make up the surplus which is so troublesome.

Under this proposal no land could be put in the storage reserve except acres which, during 3 of the past 5 years, were producing corn, cotton, wheat, soybeans, and other commodities the prices of which we are supporting, which support is costing the taxpayers money. If we take such acres out of production, we can accomplish something. We do not accomplish anything in particular, so far as conservation is concerned, if we take out of production grass land, hay land, or marginal land. That has been the weakness of the present system. It has not taken out of production land which was contributing to the surplus. Under my proposal only land which was contributing to the surplus would be taken out of production.

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

Mr. CAPEHART. I yield.

Mr. SCHOEPPPEL. I agree thoroughly with what the Senator has to say about the type of land which should be taken out of production. I appreciate the opportunity which I have had of discussing with the distinguished Senator from Indiana his approach to the overall problem. I realize, as he does, that something must be done. We must wrestle with the program.

Let me point out to the Senator something of which I know he is aware, but which I should like to have in the Record. In my section of the country, Kansas, especially in the western portion of my State, and in areas such as eastern Colorado, the Dakotas, and a number of other States, there is in operation what is known as the summer fallow program. The land is put into production every other year, after it has been cultivated; and thus the moisture is stored.

The distinguished Senator from Indiana points out the provision taking into consideration the average of 3 of the past 5 years. Some relationship would have to be worked out, so that those in the agricultural sections of the country who are following the summer fallowing practice would be protected.

Mr. CAPEHART. The Senator is correct.

Mr. SCHOEPPPEL. I assume the Senator has made provision for such protection?

Mr. CAPEHART. I believe that taking into consideration the average of 3 of the past 5 years would accomplish that purpose. If it would not, some other figure could be used. I agree with the Senator that such a situation should be covered.

Mr. SCHOEPPPEL. I was happy to co-sponsor with the Senator his agricultural bill, which, as was pointed out by the distinguished Senator from Kentucky [Mr. COOPER] a few moments ago, dealt with the research phase of agricultural production, and industrial uses

of agricultural products which might be affected as the result of various and sundry approaches. I am glad to note that the Senator is including that feature in his bill, notwithstanding the fact that only yesterday or the day before there was reported from the Committee on Agriculture and Forestry a research or industrial-use bill. I think that is identical to the bill which the Senator from Indiana and many others of us cosponsored last year.

Mr. CAPEHART. That is correct. I cover that subject a little later in my statement.

It will be remembered that 3 or 4 years ago the Senate passed a measure directing the President to establish a commission to study the problem. The President did so. The Commission reported back to the Congress. As a result of that report legislation was introduced by many of us. The Senate Committee on Agriculture and Forestry reported a bill last year and the Senate passed the bill by a vote of 82 to 0. My present proposal is exactly the same as that contained in the bill which we passed last year. The bill was the result of the contribution which many of us made, including the able Senator from Kentucky [Mr. COOPER] and the able Senator from Kansas [Mr. SCHOEPPPEL].

The third point of the program is—

Freeze the Government's stockpile of commodities, sometimes more commonly referred to as surplus, except for sales made under Public Law 480, exports, the school lunch program, distribution to the needy throughout the United States and the world, and other exceptions covered by the present law. However, the most important part of the freeze is denying the Government the right to sell in the domestic market at a price less than 100 percent of parity and then only after a finding by the President that an emergency exists or that hardships may result because of a shortage of any given commodity in the stockpile.

This is what one will discover if he will analyze existing laws and the regulations promulgated by the Department of Agriculture:

Mr. Benson, the Secretary of Agriculture, has what he calls a flexible price support system, under which he has been reducing price supports. Yet we have a law which says to the Secretary of Agriculture that he may not sell in the domestic market any of the \$9 billion worth of commodities which we have on hand, except at 5 percent above the support price—not 5 percent above parity, not 5 percent above 90 percent of parity, as many people advocate, but 5 percent above the existing support price, which means that the lower the Secretary places the support prices, when he gets ready to sell from the stockpile he can sell only at 5 percent above the support prices.

At the moment wheat is being supported at 75 percent of parity. Therefore the Secretary can sell from the stockpile at 80 percent of parity, plus a small handling charge.

I wish every Senator were present in the Chamber today, and I wish everyone in the United States could understand and be as firmly convinced as I am, that

the policy of setting a ceiling on the sale at 5 percent above the support prices is tantamount to establishing the farmer's market price. Let us see if I am not correct.

For example, today the Government has 753 million bushels of wheat in stock, meaning that it owns that many bushels. It has physical possession of the wheat.

There are loans outstanding on another 533 million bushels. If the market price is lower than the support price, when the time comes for the farmers to deliver the grain, the Government will receive the grain and put it into the stockpile. If it receives all of it—which possibly may not happen—the Government will own about 1,300 million bushels of wheat. There are only 1,600 million bushels of wheat in the United States. That is what we call the visible supply. That is all there is. The Government owns or controls 1,300 million bushels of it. Of that amount, 300 million bushels are in the hands of private enterprises—the flour mills, the food mills, and also on the farms. Therefore, the visible supply which the Government does not control directly is about 300 million bushels. Therefore, if something happened to the billion bushels of wheat, leaving only 300 million bushels of wheat in the United States, wheat would go up in price.

However, the Government owns 1,300 million bushels of wheat, and there is a law on the books which provides that it must be sold at 5 percent above the existing support price. Therefore, why should a private enterpriser pay any more than 5 percent above 75 percent of parity? He knows where it is and he can get it at any time he wants to get it. There is no particular reason why he should buy it. In many instances the Government is paying the private enterprisers to store the wheat, corn, and other products, in their elevators, paying them 1 cent a bushel per month for corn, plus 7 cents a bushel to move it in and out. That amounts to 19 cents a bushel for the first year. The wheat is stored with the private enterprisers.

The law provides that anyone can buy the wheat at any time he wishes to do so at 5 percent above the support price. In the case of wheat, that is 80 percent of parity at this time.

I am thoroughly convinced that that has a tendency to hold the price down. Under the proposed legislation I have introduced today it is provided that wheat and the other commodities may not be sold for less than 100 percent of parity, except when there is an emergency, and the President makes a finding to that effect.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. I wish to join in commending the able Senator from Indiana for addressing himself to this very important problem. The remarks which he has made with respect to the market price of the visible supply point up to me the importance of the suggestion I made in my bill, S. 946, which provides that when land is taken out of production the rent on the land is to be paid with the commodities on

hand, instead of with dollars. It also points up the fact that in order to induce farmers to take a commodity they must be given a 10-percent bonus. It is my feeling that, with the finding of new uses and the elimination of certain acres from production, it is necessary to do something to get rid of the stock on hand. So long as we have that visible supply, it will have a depressing effect on the market. I believe that a large part of that stock could be used to pay the rental charges for the land taken out of production. In that way we could work on the problem from both ends; we could stop new production and we could reduce the surplus stock. Then we could get off on an even keel.

Mr. CAPEHART. Mr. President, what I have said about wheat applies also to corn, soybeans, and to any other crop in the stockpile, because the law provides that they cannot be sold except at 5 percent above the existing support price. That is what we must keep in mind—it is the existing support price which is involved. It is my position that that law is keeping farm prices down. If we do not do anything else, we should change the law which prevents sales from the stockpile at less than 100 percent of parity. We have already adopted the principle, because we have provided that these commodities must be sold at 5 percent above the existing support prices. That provision has the tendency to set the market price.

Now, let us take these one by one, examine the reasoning behind each, and suggest the details of their operation.

ACREAGE STORAGE PLAN

To be eligible for inclusion in the acreage storage plan at \$25 an acre, it would be required that land must have been planted for at least 3 of the last 5 years in wheat, corn, cotton, soybeans, oats, barley, rye, sorghum grains, rice, peanuts, tobacco, or clover, these, with the exception of clover, being the commodities under existing law that are covered by price supports.

These contracts would run for a period of 5 years.

Such a program has an obvious purpose of taking out of production enough land to reduce the costly overproduction which we all agree is the basic problem at the moment. The ultimate purpose, of course, would be to bring the production more nearly in line with the demand, thereby increasing farm prices through the law of supply and demand and eliminating the necessity for our costly price support program. The total of the tillable land in the United States growing the above-mentioned price support crops, except clover, was approximately 240 million acres last year.

There are more tillable acres than that, because there are grass lands, hay lands, and so forth. However I am talking about the acres on which are grown the commodities we are supporting with price supports.

Therefore, one can readily see that my proposal would eliminate from production only acres which have been producing commodities that have proven to be the most troublesome as far as overproduction is concerned and the commod-

ities that are in the Government's stockpile or surplus pile at the moment.

This program eliminates the possibility of any farmer renting to the Government land, grass land, timber land or hay land. In other words, the sole purpose of this bill is to reduce the production of those crops or commodities which have been contributing to our costly program.

Now, frankly, on a long-range basis I do not like this kind of plan because I believe the only ultimate solution of our problem is the eventual cultivation of every tillable acre of land on every farm in the United States.

Frankly, at the moment this is not possible because to do so would only add to the more than \$9 billion of surplus which now hangs over the farm market and costs the taxpayers a billion dollars a year for interest and storage alone.

INDUSTRIAL USES THE REAL ANSWER

That brings me to the section of the bill which calls for new uses for farm products.

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

Mr. CAPEHART. I yield.

Mr. COOPER. Would the program the Senator suggests, for a storage reserve, be an optional program for farmers, or would it be a compulsory program?

Mr. CAPEHART. It would be an optional program.

Mr. COOPER. As the Senator knows, the major commodity in my State is tobacco. For the past 3 years the production of burley tobacco in the United States has been actually less than the consumption. It would be assumed that with respect to commodities the consumption of which exceeds the production, there would not be the same necessity for the withdrawal of acreage as there would be with respect to other crops. However, the other part of the Senator's program, with respect to what to do with the surpluses which are now held by the Government, would, of course, be applicable to any commodity which was in surplus so far as storage was concerned, as I understand.

Mr. CAPEHART. The Senator is correct. The purpose of it is to take out of production acres on which are grown the crops which are contributing to the surpluses, and which are supported by Government price supports. That practice is costing the taxpayers a great deal of money. At the same time, in my opinion, it is depressing the farmers' prices. Of course, if there is no overproduction of tobacco, then the market price is up to a satisfactory point.

Much as I dislike basically the program to reduce production, I see it as the only answer until the Congress and the administration wake up to the realization that the ultimate answer to the farm problem is a vast research program to discover and develop new uses in industry of the everyday products of the American farm.

Many Members of Congress, including myself, have been for many years trying to get started what we called a crash program in finding new uses for farm products in industry and new markets.

I introduced such a bill on March 21, 1956, and again on January 17, 1957, as well as having introduced it earlier in this session on February 19, 1959. Many other Senators and Congressmen have similar bills to accomplish the same purpose.

I said before that my proposal is exactly the same as the resolution adopted by the Senate last year, calling upon the President to appoint a commission to study the question of finding new uses for farm products in industry and new markets. This Commission made its report on April 17, 1957.

The Senate Committee on Agriculture and Forestry, using this report as a yardstick, together with the bills introduced by the Senator from Nebraska [Mr. CURTIS], the Senator from South Carolina [Mr. JOHNSTON] and by me, in each case with cosponsors, reported a bill favorably to the Senate on July 2, 1958. This bill passed the Senate on July 29, 1958, by a vote of 82 to 0. It died in the House due to early adjournment after it arrived there. Therefore, in this bill, title III, on finding new uses for farm products in industry and new markets, is an exact copy, word for word, of the bill passed by the Senate at the last session by a unanimous vote. Since there was no controversy in the Senate over that bill, the exact language of it has been included in this new proposal.

It is my best judgment that if we in Congress will face up to its responsibility and pass such a measure, the effect within a relatively short time will be to create such a terrific new demand for farm products that the country can completely do away with the costly measures by which production is now controlled and huge surpluses are piled up.

Properly conceived and dramatized, such a program would, in my opinion, make it possible to begin to reduce the amount of land which agricultural economics now dictate must be taken out of production.

I have said in the Senate many times, and I repeat it now: The only real and final answer to the farm problem is the discovery and development of new markets and new industrial uses for the production of American farms.

Industry spends billions for research to develop new products. Industry has in fact developed a great many products which have robbed the American farm of some of its markets.

But the American farmer has nobody to do this for him. It thus becomes an obligation of the Government.

I shall not speak any further about the portion of the bill relating to industrial uses of agricultural products, because I understand that in the last few days the Committee on Agriculture and Forestry unanimously reported to the Senate a bill covering that feature of my bill, or my suggestion.

FREEZING THE SURPLUS

Another vital section of the bill provides for the freezing of the surplus. Freezing the surplus means to take it completely off the market except by the methods under which it may be disposed of by the Department of Agriculture under certain conditions and to certain

organizations and groups, among them being Public Law 480, exports, the school lunch program, and other means described in the bill and described heretofore.

I understand that two bills have been introduced in the Senate in the last few days, one relating to food for peace, the other to a food stamp plan. If the Senate should pass those two bills, they likewise would provide exceptions to the stockpiling of commodities. But the surplus would be frozen for all practical purposes. It would not be sold in the domestic market except at 100 percent of parity.

One other method of disposing of commodities in the surplus under the bill is for the President, if he finds that there is a real shortage of any commodity which is unduly raising the price or creating a hardship, to direct the Secretary of Agriculture to sell any commodity at 100 percent parity. Parity in this instance means the parity established by the Agricultural Adjustment Act of 1938.

Those who have studied this problem are convinced, as I am, that the effect on farm prices of applying the simple surplus freeze method would be considerable. Farm prices certainly would rise as a result. They could not help doing so. If the support price were at 100 percent or 90 percent of parity, that would be one thing. But the lower the support prices are made under existing law, since sales must be made at 5 percent above the support price, the lower the prices in the free market will be. They cannot help being lower. That is 100 percent true, so long as there is a surplus.

The purpose of lowering support prices is to save the taxpayers' money, on the basis that if the Government is to buy the surplus, it will cost the taxpayers less to buy it at 75 percent of parity than at 80 percent or 90 percent of parity. But to date the support prices have failed, because surpluses, instead of becoming smaller, have been growing larger, while the free market price is getting very little, if any, higher. It may be higher on some items, but on others it is not.

Mr. JOHNSTON of South Carolina. As a member of the Committee on Agriculture and Forestry, I have studied these matters to some extent, because day after day we hold hearings on agricultural subjects.

I agree with the Senator from Indiana that something must be done to raise the parity price and to provide strict controls. Some persons would have low parity prices and would almost turn production loose. I can see how the plan which the Senator from Indiana is proposing might serve a very good purpose, so far as it concerns the amount of the surplus which is used in the United States.

Mr. CAPEHART. My bill freezes the surplus and provides that it can be sold in the free market in the United States only at 100 percent of parity.

Mr. JOHNSTON of South Carolina. That is correct. In other words, whatever is used in the United States is subject to 100 percent of parity.

Mr. CAPEHART. If it were sold from the stockpile,

Mr. JOHNSTON of South Carolina. I also agree with the Senator's statement that when the parity price is made higher, the price which the farmer receives also will be higher.

Mr. CAPEHART. That is correct. That is the purpose of the bill.

Mr. JOHNSTON of South Carolina. We must all admit that farmers are in a very precarious economic condition at present, and we all realize that Congress must do something to protect them.

I think the Senator from Indiana will agree with me that it is necessary also to find other uses for agricultural products than obtained at present. The Committee on Agriculture and Forestry has reported a bill which I introduced looking to an investigation into this subject. I think the Senator from Indiana introduced a somewhat similar bill in the past. The enactment of such bills would do much good. It is imperative that more uses for agricultural products be found in order to dispose of the surpluses. If a small amount of money is spent to conduct such an investigation, other uses for agricultural products will be found, and thereby the surpluses will be reduced.

The Senator from Indiana and I may be working from different angles, but we are seeking to achieve the same end. I am sure our efforts will do much toward reducing agricultural surpluses, will increase the price level of farm products, and will ease the farmer's high cost of living. I believe that the entire United States will benefit if something is done along these lines.

Mr. CAPEHART. I thank the able Senator from South Carolina for his constructive contribution to the discussion.

Mr. President, let me list what we now have in surplus and under loan: Cotton, 8 million bales; wheat, 1,300 million bushels; corn, 1,500 million bushels; tobacco, 924 million pounds; grain sorghum, 200 million hundredweight; barley, 69 million bushels; rice, 6 million hundredweight; soybeans, 12 million bushels; butter, 44½ million pounds; rosin, 262 million pounds; oats, 25 million bushels; dried milk, 116½ million pounds.

Under the present law, the Secretary of Agriculture may dispose of surpluses at 5 percent above the existing support price of a given commodity. For example, the support price at the moment on wheat is 75 percent. This means that under existing law, rules, and regulations, wheat can be sold by the Commodity Credit Corporation at 80 percent of parity, plus a small handling charge. This, in my opinion, removes the incentive for a prospective buyer to go into the market to purchase the commodity, because he knows that anytime he wants it he can get all he wants from the Government for only 5 percent above the existing support prices, which I believe we will all agree are low at the moment.

This arrangement, in my opinion, creates a situation under which the support price certainly influences, if not altogether controls, the market price. I believe Senators will agree with me that this is wrong. Obviously it would have the effect of increasing the farmers'

prices. Let me cite an example. The existing visible supply of wheat in the United States is about 1,500 million bushels. Of this amount, the Government has in storage or under loan about 1,286 million bushels. That means that there is available for the market from other than Government sources only 254 million bushels, about a 5 months' supply.

Senators can imagine what the price of wheat would be if there were actually available only 254 million bushels. Here is a concrete example of the depressing effect suffered by the farmer from the overhanging available surplus.

In fixing the support price for wheat, the Secretary of Agriculture is now required by law to take into consideration the wheat held in Government surplus storage or under loan.

Mr. President, farm prices are too low. The farmer receives less than 4 cents out of every dollar of the national income, while the wage earner receives 71 cents.

The history of support prices is that they fix the market price, usually at a lower range. Manifestly this is so, otherwise there would be no commodities in surplus. Low support prices keep the farmer's price down, and he is forced to sell to the Government.

Since 1933 the cost of trying to stabilize farm prices has been \$30 billion, \$15 billion of which has been spent in the last 6 years, and \$15 billion in the preceding years.

CORN

We leave the corn law as it is. Corn growers voted against any acreage controls. They are now guaranteed a support price of \$1.12, regardless of the amount of corn they grow.

Corn growers will be permitted to come in under the acreage storage, but otherwise they will operate under the same system in vogue now. Mr. President, there are about 4,800,000 farms in the Nation. This, however, does not portray their full economic reach. On the prosperity of the farm depends the entire rural and semiurban community surrounding it. The stores of our small cities, the railroads, the trucks, the farm implement and fertilizer people, those who sell goods to the farmer—all of them depend upon the prosperity of the farms. There is no end to our farm economy. It pervades all segments of our life. It is basic to the livelihood of all of us.

I have made the statement that the corn law will be allowed to remain as it is. The reason is that there is no possibility of changing it this year. The Government has a contract with the farmers. The farmers voted in a referendum to have the Government take action which is being taken; namely, that there will be no acreage controls, while corn will be supported—at least in my State—at \$1.12 a bushel.

Mr. President, such a program as I have proposed, or any other good farm program, should accomplish these things:

First. Eventually get the Government and taxpayers completely out of the farming business.

Second. Permit, after a short time, farmers to run their farms as they think best.

Third. Reduce the cost during the year 1960 very materially, and thereafter substantially because there should be no necessity for placing any commodity in Government warehouses.

Fourth. Increase the farmers' prices in the free market to the parity concept.

I believe the bill will go a long way toward accomplishing these purposes. The Nation has a farm problem which is troublesome not only to the taxpayers, but also to the farmers. The problem will not solve itself; Congress will have to solve it. I think there will be an uprising on the part of the taxpayers in general and the farmers in particular if Congress does not solve it, and if the cost of living generally rises, while prices for farm products stay where they are or go lower.

I call attention again to the statement I made earlier, namely, that the Department of Agriculture is spending for all purposes—not exclusively for price supports—about \$6,500 million; yet the net income of all the American farmers is only a little more than \$13 billion. So the matter is serious.

I think it is more serious than many of the other problems we are considering and working on. As I have already stated, I believe it is much more serious than the visit of Mr. Castro or many of the other matters which we consider and work on and check on at great length.

Talk about balancing the budget. Talk about inflation. Here we find that only one department of the Government is spending \$6,500 million a year, and since 1933 that Department has spent \$30 billion, and in the past 6 years that one department of our Government has spent \$15 billion.

If we wish to reduce taxes and if we wish to balance the budget, let us get down to the business of writing good, sane, sound farm legislation which will do this job properly.

Mr. ALLOTT. Mr. President, will the distinguished Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Indiana yield to the Senator from Colorado?

Mr. CAPEHART. I am glad to yield.

Mr. ALLOTT. Mr. President, I have had an opportunity to talk several times to the distinguished Senator from Indiana about this subject. I have studied his bill, and also read the prepared text of his remarks.

Although any legislation on this subject is bound to raise certain questions, I believe that certain of the things he has said need to be emphasized.

The first is of course that the cost of the present program is not alone a cost to the United States Government. Certainly it is ridiculous for the Government to engage in, and to continue, a program which costs half as much as the total income of all those who are participating in the industry which is affected. In other words, the Government is spending approximately \$6,500 million annually, through the Department of Agriculture, whereas we can expect, at best, that the farmers of the Nation will

have a net annual income of approximately \$13 billion.

I have long contended, and I still believe implicitly, that we need to get the farm economy back into the hands of the farmers. One of the steps which might be taken in that connection is, of course, to make increased use of marketing cooperatives.

However, in this case nothing is truer than the fact that we shall never have fair farm legislation so long as we have legislation which is based upon the so-called six basic commodities. That plan has never proven itself, and it never will.

I think the Senator from Indiana has made a very great contribution, in showing that under the practice of our Government—not only under rigid supports, but also under flexible supports—when the Government makes loans on a farm commodity, in the event the price of the commodity does not exceed parity or the percentage of parity which has been fixed, the Government takes over the commodity, and puts it into warehouses, and then can sell it at 105 percent, not of parity, but of the support price. With our right hand we are trying to raise the prices of farm commodities, while with our left hand we have built in an absolute barrier to the raising of the price of a single farm commodity.

Mr. President, the contribution of the Senator from Indiana in this respect—and I refer to his earnest endeavor to get us to realize how fallacious and how screwball such a plan is—is worth all the labor and all the effort he has devoted to it.

I also realize, if the Senator from Indiana will indulge me further—that unless the Congress faces up to its responsibility in this connection and takes some action in regard to a farm program, the weight of the farm program itself will defeat it; and when the well-being of all the farmers of the Nation—and the farm population amounts to 13 million—is destroyed, the result will be to tear down and destroy one of the greatest supports of the heavy industries of the Nation. Certainly we cannot afford to allow the agricultural economy to go down the drain. But, by the same token, we cannot permit another year to pass without doing something about the farm program.

There may be those who say that the program my colleague proposes is audacious. Certainly there are parts of it about which I have reservations. But the Congress this year must do something audacious and something courageous about this problem because anything the Congress does this year cannot be effective until next year. Otherwise, the farm economy of the country will collapse, and will leave 13 million people stranded economically on the fields and the streets—not to mention the millions of small towns which are dependent upon the agricultural economy. Of this I am sure; and I pay my tribute to the Senator from Indiana for the great work he has done on this problem.

Regardless of whether the Committee on Agriculture and Forestry adopts the

program the Senator from Indiana is proposing, certainly that committee should adopt some program of this sort or should make a realistic approach to such a program, because we can no longer afford to fiddle with the welfare of so many million Americans.

Mr. CAPEHART. Mr. President, I thank the able Senator from Colorado for his most constructive contribution.

I wish to say that the sale of farm commodities at 5 percent above existing support prices is required by law, which the Secretary of Agriculture cannot change; neither can the President change it. Only the Congress can change the law.

When I talk to people about the farm problem, I am amazed to find that so many of them have an idea that the problem is solving itself.

Mr. President, in the course of my remarks today, I have been careful not to indulge in criticism of anyone. I have not criticized either the Democratic Party or the Republican Party; I have entirely avoided personalities. I have consistently endeavored to be factual.

However, Mr. President, I wish to say that as a result of speeches the Secretary of Agriculture makes and as a result of a lack of action on the part of the Congress, many persons have the idea that the farm situation is getting better, whereas the facts show that just the opposite is the case. Actually, the situation is getting worse, rather than better.

When those who live in the cities say to me, "This whole business is being solved now by the low support prices and similar things," I do not think they realize that the present program is costing billions and billions of dollars—in fact, much more than it has ever cost before. I do not think they realize that the stockpile of agricultural commodities is constantly enlarging; and neither do I think they realize that the Department of Agriculture, through the appropriations made by the Congress—for the Department cannot spend money unless the Congress first appropriates it—is today spending half as much as the total net income of all American farmers.

It seems to me that too many persons are sticking their heads into the sand, and are not being realistic about this matter.

However, Mr. President, in the final analysis the responsibility is that of the Congress.

On the other hand, in this connection I am not excusing the administration, I believe the administration also should be giving us suggestions about how to solve the problem, and should be asking Congress to do certain things in that connection, because the administration has all the facts and all the figures, and knows in what direction the farm situation is developing. It has this responsibility. The Congress also has a responsibility. All I am trying to do today, and all I am trying to do by introducing this bill, is to obtain some action, and to induce the Congress, if it will, to use my bill, or some other bill—I care not which—as a starting point for getting action. If we do not do so, I think we

shall be severely criticized, and rightly so, in years to come.

In closing, I wish to say unless we take some appropriate action the amount of surplus commodities will increase to \$10, \$11, \$12, \$13, or \$14 billion. The net income of the American farmers is possibly going to become less. It is getting no better. The only thing which might save the farmers would be a severe drought. For the failure to solve the problem, what a penalty would be imposed by severe drought which would prevent farmers from growing crops for 1, 2, or 3 years, and deprive them of any income. That could solve the problem, but I do not think it is going to happen.

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

Mr. CAPEHART. I yield.

Mr. DWORSHAK. I believe the senior Senator from Indiana has rendered outstanding service in calling to the attention of the Senate the importance of wholesale cooperation in assailing some of the problems confronting agriculture today. Does not the Senator deplore the tendency of the involvement of agricultural problems in partisanship and efforts to make a political football out of them, instead of trying to solve the problems so we can stabilize the situation?

Mr. CAPEHART. Yes. Agricultural problems have affected the national economy to the point where no one ought to play politics with them.

Mr. DWORSHAK. Does the Senator believe there has been some effort along that line?

Mr. CAPEHART. Yes, I am afraid there has been; and I feel it ought not to be done, because the problem is too serious, from the standpoint alone of the taxpayers, aside from that of the farmers, because their income is so low. The problem is very serious from the standpoint of the cost to the taxpayer, as well as from the standpoint of the farmer, whose prices are too low.

Mr. DWORSHAK. Does the Senator from Indiana agree that by pursuing the political aspects of this controversy, there is ever present the possibility that we may be undermining agriculture, with devastating effect on our general economy? That would be a real tragedy to our country, would it not?

Mr. CAPEHART. There can be no question that it would be a real tragedy.

I should like to emphasize one other point. The farmers are not to blame. Many persons say, "You are subsidizing the farmer," as if the farmer was getting rich as a result of the farm program. The total net income of farmers is below \$13 billion. The farmer does not like to be placed under a Federal program. He would much prefer to have the Government get completely out of the farming business and that he be permitted to run his farm as he sees fit, and sell his products in the open market at a price which would be profitable to him. Congress ought to devise a program which looks to that end. The way the situation is now, just the opposite is true. For example, only today I had a man say to me, "The best thing you can do is repeal

all the farm laws." I would agree with him provided something could be done with the surplus stockpile of \$9 billion. The Government has contracts with farmers which will run throughout this calendar year. Those contracts cannot be repealed. The earliest we could legislate in that regard would be in the early part of the next year. All the farm laws could be repealed and the Government would not have to enter into any contracts with the farmers. But contracts are in existence for the remainder of 1959, and there is in existence a stockpile of \$9 billion worth of surplus commodities. What is to be done with them?

Mr. DWORSHAK. Does the Senator from Indiana believe that, while there is a tendency of farmers to hold the Republican executive branch responsible for the failure to solve some of these problems, at the same time farmers, through their national organizations, are holding the legislative branch equally responsible and accountable for the failure to meet this serious challenge?

Mr. CAPEHART. There can be no question that the solution of the problems is the responsibility of the Congress. Only the Congress can change the law. Let us consider what I think is the worst situation of all. There is a law which provides that farm commodities in the stockpile can be sold only at 5 percent above the existing support price. That is the law, and it ought to be changed. In fact, my honest belief is the Senate ought to quickly adopt a resolution on Monday, when it next convenes, changing that section of the law, so the change could be put into effect immediately. I think if the law were changed, it would immediately raise farmers' prices.

Do we realize what it would mean to the American taxpayers if the market price of corn, wheat, cotton, and other commodities was above the support price? Let me show how much money it would save the taxpayers if the market price were higher than the support price, so that farmers would not be delivering their commodities to the Commodity Credit Corporation. I am about to give the amounts and the names of commodities from the list of commodities on which the Government has issued loans, and as to which the Government has said to the farmer, "If, when your loan comes due, the market price is lower than the support price, you can deliver the commodities to us and we will pay your loan off."

Let me give a little idea of how the bill introduced today will save the American taxpayers money in the next few months, and how much money it will save them, if the bill will do the things we believe it can and will do.

In the case of cotton there are under loan 6,447,558 bales of upland cotton, at a total cost of \$1,101 million-plus.

There are 533 million-plus bushels of wheat on loan, at a cost of \$978 million-plus.

There are on loan 924 million-plus pounds of tobacco, at a cost of \$599 million-plus.

There are 427 million-plus bushels of corn on loan, at a cost of \$523 million-plus.

There are 146 million-plus hundred-weight of grain sorghums on loan, at a cost of \$276 million-plus.

With respect to other commodities, which I shall not name individually, there are loans of \$497 million-plus.

The total amount of the loans is \$3,977,848,262—a little less than \$4 billion.

If the market prices farmers received were to go above the level of the support prices, and the farmers sold their products in the free market at prices above the support prices, the taxpayers would have nearly \$4 billion of their money saved.

That is what the cost will amount to if the farmers deliver the commodities I have mentioned. They may not; but they have the right to do so. If only the great majority of them delivered those commodities, and if the market price was lower than the support price, that is the amount which would be involved. So, Mr. and Mrs. Taxpayer, you get an idea what it would mean to you if we could find a way to keep the market price above the support price, and if we could eliminate the roadblocks which have a tendency to pull down market prices.

Mr. President, this is a matter in which city people ought to be as much interested as farmers.

Mr. President, I ask unanimous consent to have printed in the RECORD the U.S. Department of Agriculture bulletin issued on April 1, 1959, entitled "Status of the CCC Price Support Programs as of February 28," which gives all the figures I have been reading into the RECORD on numerous occasions.

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

STATUS OF CCC PRICE-SUPPORT PROGRAMS AS OF FEBRUARY 28

The U.S. Department of Agriculture reported today that as of February 28, investment of the Commodity Credit Corporation in price-support programs amounted to \$9,089,475,000—made up of loans outstanding of \$3,977,848,000 (including \$706,779,450 of loans financed by lending agencies), and the cost value of inventories \$5,111,627,000.

As of February 28, 1958, the investment was \$7,317,819,000, of which loans outstanding amounted to \$2,427,782,000 and inventories \$4,890,037,000.

Price-support operations in five commodities accounted for the bulk of the February 28, 1959, loan total, as follows:

Cotton, upland, 6,447,558 bales	\$1,101,695,551
Wheat, 533,444,796 bushels	978,879,790
Tobacco, 924,451,817 pounds	599,437,828
Corn, 427,271,926 bushels	523,818,948
Grain sorghum, 146,188,894 hundredweight	276,081,784
Other	497,934,361
Total	3,977,848,262

(Included under "other" were loans on extra long staple cotton, cottonseed, barley, dry edible beans, flaxseed, oats, rice, rye, soybeans, honey, peanuts, and tung oil, the largest being \$249,699,676 on soybeans.)

Major items in the inventory of CCC as of February 28 were:

Wheat, 753,509,376 bushels...	\$2,144,139,573
Corn, 1,144,121,938 bushels...	2,014,653,082
Grain sorghum, 156,295,221 hundredweight.....	410,507,557
Cotton, upland, 1,411,576 bales.....	205,573,504
Barley, 69,340,032 bushels....	84,175,653
Rice, rough and milled, 6-268,394 hundredweight....	54,366,420
Strategic materials.....	36,503,561
Soybeans, 12,152,353 bushels..	28,286,736
Butter, 44,408,334 pounds....	26,331,946
Rosin, 262,185,642 pounds....	20,797,740
Oats, 25,394,135 bushels.....	19,491,597
Dried milk, 116,467,411 pounds.....	18,000,609
Cotton, extra long staple, 32,307 bales.....	9,461,956
Other.....	39,336,835
Total.....	5,111,626,769

(Other items in inventory include cheese, dry edible beans, cornmeal, flaxseed, rye, wheat flour, gum turpentine, tobacco, crude cottonseed oil, refined cottonseed oil, peanuts, and tung oil, the largest of which was tobacco, with a cost value of \$7,643,455.)

Net realized program loss on price-support operations for the 8 months ended February 28, 1959, totaled \$491,848,510. For the same period last year the comparable loss was \$712,922,765, and for the fiscal year ended June 30, 1958, the program loss on price-support operations totaled \$1,006,548,967.

Price-support operations of CCC are financed in large part, though not completely, by borrowings. CCC is authorized by statute to borrow money as needed, but as of February 28 total borrowings could not at any time exceed in the aggregate \$14.5 billion.

CCC reserves a sufficient amount of this borrowing authority to purchase at any time all loans and other obligations held by lending agencies under the Corporation's programs. As of February 28, CCC had in use \$13,940,832,000 of this authority; actual borrowings amounted to \$13,233 million, and obligations to purchase loans financed by lending agencies amounted to \$707,832,000. This left a statutory borrowing authority of \$559,168,000.

Loans and inventory figures covered in this release do not include purchase agreements which provide for purchase by CCC of stipulated quantities of price-support commodities if offered by producers at the end of the loan period. These purchase agreements entered into on 1958 crops through February 28, 1959, had an estimated total value of \$190,989,000. Purchase agreements entered into on 1957 crops through February 28, 1958, had an estimated total value of \$196,363,000.

Price support extended (total loans made plus direct purchases plus purchase agreements entered into) on 1958 crops alone through February 28, 1959, amounted to \$3,774,812,633, compared with \$2,285,399,931 on 1957 crops through February 28, 1958.

MOVEMENT INTO AND OUT OF CCC'S PRICE-SUPPORT INVENTORY

Commodities purchased or otherwise acquired by CCC in February had a cost value of \$46,683,571, bringing the total for the first 8 months of the 1959 fiscal year to \$924,578,797. For the same 8 months' period a year earlier purchases and acquisitions amounted to \$1,585,303,427.

Movement of commodities out of CCC's inventories in February totaled \$194,754,936 cost value basis, making a fiscal year 1959 total through February of \$1,679,469,171. The out-movement in the first 8 months of fiscal year 1958 totaled \$2,491,786,929.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) 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 request to the election of officers of labor organizations, and for other purposes.

Mr. HUMPHREY obtained the floor. Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Minnesota yield to the Senator from Colorado?

Mr. HUMPHREY. I yield to the Senator from Colorado, provided I do not lose my right to the floor, and I ask unanimous consent that I may do so.

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

Mr. ALLOTT. Mr. President, I express my appreciation to the Senator from Minnesota.

Mr. President, my fear that the American public will not comprehend the action we are taking in the matter of labor legislation has mounted day by day, amendment by amendment. The committee bill is 59 pages long and already some 100 amendments are contemplated. I feel sure that there are those among us, despite our prolonged attention to this subject, who do not completely understand every facet of its complicated nature.

Mr. President, it is time the American people understand what we are trying to do in the labor field. They know of the horrors and the filth uncovered by investigation, but they are completely at sea when this jungle of words is thrust before them.

My own views on labor legislation are well known—the Kennedy bill does not go to the real roots of the problem. It seems quite possible that we will so become involved in semantics and minute points of law we will lose sight of the forest for the trees.

Mr. President, we owe a compact, workable measure to the millions of honest, sincere union members who want help, guidance, and clarification of labor legislation. And I fully realize that some of the points in the bill, and many of the proposed amendments, are designed to provide just that.

However, if this debate does reach a stage of complete confusion and bewilderment to the public, I am considering offering as an amendment a very simple, substitute bill. I acknowledge that under normal procedure, such a substitute should be presented first to the hard-working Committee on Labor and Public Welfare. Yet, this subject has been studied and restudied so much that no apologies would be needed.

Mr. President, every poll which I have seen indicates one paramount desire on the part of union members: They want to be able to run their own unions. They want an end to the plundering by that

unscrupulous handful with whom we have become disgustingly familiar.

The honest backbone of the American labor force wants the tools with which they can accomplish this need. What is required is that we act simply, in understandable language and in the spirit of fair play:

First. Guarantee democratic operation of unions by requiring honest and secret balloting.

Second. Require responsibility to union members by those who handle their money by imposing the same duties and penalties upon them as upon any other person to whom money is entrusted.

Third. Provide protection for union members and the public against hoodlumism and strong-arm tactics through a clear and positive law against secondary boycotting and blackmail picketing.

Mr. President, I wish to say again that these three points will constitute a bill which I plan to offer in the event the debate of next week dissolves into "t" crossing and "i" dotting; into a debate which can produce only incomprehensible, ineffectual legislation. It is my intent that the public shall know what we are doing. But most of all, our intent must be understood clearly by those outlaw bums who, through their isolated tactics, have cast a shadow on the great American labor movement, and the millions of great Americans who are a part of it.

Mr. President, I send an amendment to the desk for printing. I plan to call up the amendment next week.

The PRESIDING OFFICER. Without objection, the amendment will be printed and will lie on the table.

Mr. ALLOTT. Mr. President, I express my appreciation to the distinguished Senator from Minnesota for his never-failing courtesy in yielding.

Mr. HUMPHREY. I thank the Senator. I am always happy to accommodate a friend.

Mr. CURTIS. Mr. President, will the distinguished Senator from Minnesota yield to me?

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from Nebraska without losing my right to the floor.

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

Mr. CURTIS. Mr. President, I offer, for printing, a series of amendments on behalf of my colleague, the Senator from Arizona [Mr. GOLDWATER], and two amendments on behalf of myself, to the pending bill, S. 1555.

The PRESIDING OFFICER. Without objection, the amendments will be received and printed and will lie on the table.

Mr. CURTIS. I thank the distinguished Senator from Minnesota.

GOVERNMENT EGG BUYING

Mr. HUMPHREY. Mr. President, I am very happy today to invite attention to the fact that Secretary of Agriculture Benson finally has stepped up Government egg buying, using section 32 funds

for a surplus removal program, as authorized by law.

As Senators know, I have been insisting since the 2d of April that the Secretary take action to lessen the severity of the break in egg prices. While a purchase program placed into action promptly upon notice of the break in egg prices would have been more effective, in this case the saying "better late than never" is certainly true. It is my sincere hope that this action will strengthen prices received by egg producers everywhere and stop the present sales at prices which are far below the cost of production.

I ask unanimous consent that the announcement of the USDA surplus disposal program be printed in the RECORD at this point in my remarks.

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

USDA ANNOUNCES SURPLUS REMOVAL PROGRAM FOR EGGS; COMPLETE SCHOOL-LUNCH PURCHASES

USDA announced today its intentions to make weekly purchases of dried-egg solids with section 32 funds. This will be in addition to the approximate \$14 million already spent in purchasing eggs for the school-lunch program. Egg prices have fallen to relatively low levels in recent weeks and the action announced today is being taken in an effort to stabilize and strengthen prices to producers.

At the same time, the Department announced the completion of a program of purchasing dried whole egg solids for use in the national school-lunch program. Funds for this program were transferred by Congress from section 32.

A total of 652,500 pounds was purchased this week, at a cost of \$678,000. Total purchases for the program, which began on October 16, 1958, come to approximately 12 million pounds, and total expenditures of about \$14 million. Prices paid this week ranged from \$1.0278 to \$1.0498 per pound, and offers were accepted from all seven bidders.

Most egg solids to be purchased under the section 32 surplus removal program will be distributed to needy persons, and the balance to welfare institutions. They will supplement the other foods now being donated by the Department and distributed by State agencies to needy people.

First offerings under the section 32 program will be due on April 22, at 1 p.m. and purchases will be made weekly thereafter. The quantities to be purchased weekly will depend upon offering prices in relation to prevailing producer prices. Continuation of the program will depend upon general market demands as reflected in producer prices in the weeks ahead.

Purchases in No. 10 tin cans will be limited to approximately 1 million pounds per month for distribution to institutions. The balance of purchases will be required to be packed in No. 2½ consumer size cans (13 ounces) for distribution to needy families.

The announcement of the new program will be mailed to the trade this week. Inquiries regarding the program should be sent to the Director, Poultry Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington 25, D.C.

Delivery under the awards that follow will be during the May 1 to May 16, 1959, period.

MR. HUMPHREY. Mr. President, the sorry spectacle of the past few weeks points up a basic weakness in the poultry and egg industry of this country. Secretary Benson, as he speaks before

various nonfarmer groups throughout the country, keeps repeating that agricultural commodities which have not been under mandatory price supports have not been in price trouble. Let me underscore the fact that there is no mandatory price-support program for poultry and eggs, and the producers are in real trouble.

A Government surplus-disposal program can bring temporary relief, but it cannot discharge the Government's full responsibility to this important agricultural industry.

The Senate Agriculture and Forestry Committee should undertake a full study of the poultry and egg industry to discover the causes for the evident economic imbalance and to explore possible corrective action.

To emphasize that this is no sudden, temporary price crisis for egg producers, I desire to read a telegram I received today from Dr. Irving Berger, acting president of the U.S. Poultry & Egg Producers Association:

MAYS LANDING, N.J.,
April 16, 1959.

Senator HUBERT HUMPHREY,
Washington, D.C.:

Thousands of families of poultry farmers are in economic jeopardy striving for their daily bread. The situation is so acute that their capital investment on which tens of thousands of people are depending for a living is being destroyed. Should they further swell the ranks of the unemployed? The commercial egg producer has contributed his energy and ingenuity to the national well-being of the consumer economy through the tremendous efficiencies developed since 1941 which are over 100 percent. If the egg production today would have followed the same pattern as it did up to 1940 it would have cost the consumer an additional million dollars to purchase a dozen eggs in the market. If agriculture would have kept pace with other phases of the economy there would have been a 20 percent increase in egg prices instead of a decrease of 20 percent. Egg prices have dropped to a low of 20 cents national average with the acknowledged national cost of production of 33 cents to 37 cents average resulting in the egg producer actually subsidizing the consumer to the extent of \$60 million a month. He cannot further subsidize the consumer market at the cost of his own economic destruction. Without immediate alleviation of the situation it will cripple a sizable segment of our economy.

It behooves upon the Senate Agricultural Committee to rescue the commercial family egg producer. You are the heart and core of their survival.

DR. IRVING BERGER,
Acting President, United States Poultry and Egg Producers Association,
Inc.

Mr. President, I can say to Dr. Berger that we have finally been able to get some action. Three days ago I addressed the Senate with regard to this particular problem, placing in the RECORD my letter of April 2, my telegram, and my subsequent letter to the Secretary of Agriculture. I am pleased to note that, at long last, a response has come forth, and it is favorable.

The Secretary and the Department of Agriculture have acted. I may add that in the meantime in the State of Minnesota literally hundreds of thousands of dollars of cash income have been lost—money which would have been spent in

the retail establishments and service institutions of our State. In a sense, the egg producer is the cash customer. The farmer with 100, 200, or 300 hens, who takes his eggs to market every day or every week, represents a sizable share of what we call cash income in agricultural production.

Let us hope that we shall not be faced with a situation like this again without some remedial action. I am happy to note that the announcement of the first purchase has already boosted the price for the producer. I said this would happen.

There are certain things which we know about agriculture. One of the things we know is that when the Department of Agriculture indicates its willingness to step in and firm up a market, the free market price of the commodity involved immediately reacts favorably. This has happened again.

It is regrettable that Congress must assume the responsibility of doing the job of administration. Our job should be that of legislation, and it should be the responsibility of the Department to utilize the law which we have given to the executive branch to effectuate policies laid down by the Congress.

Mr. JOHNSTON of South Carolina, Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Is it not also true that we find the same condition to exist in the administration of the laws placed on the statute books with regard to many other farm commodities? Practically the same situation existed in regard to the poultry industry before Christmas.

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. JOHNSTON of South Carolina. We had to jack up the Department in order to get it to do something to save the poultry industry.

Mr. HUMPHREY. The Senator is correct.

Quite frankly, the delay in Government purchases or Government orders with respect to perishable commodities not only costs the producers in Minnesota hundreds of thousands of dollars, and, on a national scale, millions of dollars of lost income; but it costs the Federal Treasury great losses. Folks simply do not have the money with which to pay taxes. They do not have the income upon which they could pay taxes.

Remember, Mr. President, the funds which are used are not taxpayers' funds. They are what we call tariff and import funds. They are funds which go into what are called section 32 funds, which represent collections made upon certain imports into this country—tariff funds which go into a special fund for the purchase of agricultural commodities.

Mr. JOHNSTON of South Carolina. Is it not also true that the Department cannot justly claim that it does not receive sufficient funds for investigation? We have given the Department many additional employees, and hundreds of thousands of dollars more with which to work.

Mr. HUMPHREY. The Senator is absolutely correct. The number of employees has increased by from 20,000 to 25,000, and the amount of money available is rather substantial. It is so substantial that many of us hesitate even to mention it. It is well over \$5 billion.

I thank the Senator from South Carolina, who has always championed the cause of the family farmer, and of economic justice for American agriculture. We are very fortunate that he serves on the Committee on Agriculture and Forestry, and not only takes an interest in the crops and production characteristic of his section of the country, but has a national vision, and exhibits an interest in and concern for the well being of our farm population in every State of the Union and every part of this great Nation.

Mr. JOHNSTON of South Carolina. I thank the Senator from Minnesota for his remarks concerning me.

A few days ago, when I had occasion to speak to representatives of the press, I made the statement concerning the Senator from Minnesota that if there were on the Committee on Agriculture and Forestry a few more Senators such as the Senator from Minnesota, we could put Mr. Benson in his place. I know that the farmers would be in far better condition than that in which they find themselves today.

Mr. HUMPHREY. I thank the Senator. That is great praise from a fine and good man.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) 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.

Mr. HUMPHREY. Mr. President, the bill pending before the Senate is S. 1555. It is known technically as the Labor-Management Reporting and Disclosure Act of 1959. It is known to the American public essentially as the Kennedy bill.

Mr. President, I wish to speak briefly on S. 1555, the Labor-Management Reporting and Disclosure Act of 1959, which is presently before the Senate.

I consider it an honor to be a cosponsor on this important measure, which is designed to eradicate the abuses which have come to light in the labor-management field. The bipartisan support which this bill received in the Committee on Labor and Public Welfare attests to the widespread conviction that this is a sound and fair proposal.

To the members of the committee who have worked so long and hard on this measure, we owe a vote of thanks. Few bills have received as thorough study and consideration as has S. 1555. At this time I wish to pay special tribute to the junior Senator from Massachusetts [Mr. KENNEDY], as chief sponsor of the bill. For many, many months he has devoted his energies, time and talents to the de-

velopment of a sound and practical bill. He has quite properly gained a reputation as being one of the foremost students of labor legislation in the Congress. This is a great honor and one which is richly deserved.

S. 1555 is a carefully considered measure to aid in the elimination of corrupt practices in the labor-management field while at the same time avoiding the danger of jeopardizing the effectiveness of the American trade-union movement in representing the working men and women of our land.

In reporting S. 1555, the Committee on Labor and Public Welfare emphasizes a very important point which should be kept in mind during this debate:

The overwhelming majority (of unions) are honestly and democratically run. In providing remedies for existing evils the Senate should be careful neither to undermine self-government within the labor movement nor to weaken unions in their role as the bargaining representatives of employees.

In this connection, Mr. President, I should like to pay a tribute to the dedicated efforts of the leadership of the AFL-CIO to maintain the traditional high standards and principles of the American labor movement. The AFL-CIO has given more than mere lip-service. Its adoption of a rigid code of ethics and its ouster of those international unions which have betrayed their sacred trust took great courage.

The AFL-CIO has further demonstrated its sincere devotion to a dedicated labor movement by its endorsement and active support for the reform legislation presently before the Senate.

I might add that it is a rather unique situation when we see groups which are being regulated come before a Senate committee and, out of a sense of fairness and justice and dedication to the public interest, ask that legislation designed to regulate them be adopted. I do not recall any such development when holding companies were being regulated, when the stock market was being regulated, and when some of the great utilities were being regulated.

As the committee in its report also points out, in the instances of corruption which have been revealed, not only unions but also management has been involved. The hearings by the Committee on Improper Activities in the Labor or Management Field under the able chairmanship of the senior Senator from Arkansas [Mr. McCLELLAN] have uncovered numerous instances of employers having made payments to unethical union officials at the expense of their own employees. The so-called middlemen have also been used by certain employers as an undercover device to defeat legitimate union campaigns. Evidence has also come to light of employer payments to informers for the purpose of supplying information on union activities.

The Committee on Labor and Public Welfare in preparing S. 1555 has quite properly recognized the fact that the labor movement does not have a monopoly on original sin. To correct the unethical practices of certain employers the bill provides management reporting requirements and prohibits illicit pay-

ments by employers and by middlemen for the purpose of interfering with union organizing efforts and collective-bargaining agreements.

I have, quite frankly, been disappointed that organizations representing management have not shown greater concern over such unethical practices of certain employers—thank goodness only a few. I am also disappointed that management spokesmen have refused to support S. 1555 and have opposed provisions in the bill which seek to deal with management abuses.

It is my sincere hope that the Senate will approve S. 1555 and that it will soon be enacted. It would be, in my opinion, a tragedy if we did not take advantage of the present opportunity to enact reform legislation.

In fact, we have a political and moral obligation to do so. If we fail to act it will be a victory for those in the labor-management field who have betrayed American working people and the public at large for their own selfish advantage.

I know that there are those in the Congress who sincerely disagree with certain provisions of S. 1555, and there are those who feel that this bill does not go far enough. The important thing to keep in mind, however, is that S. 1555 does represent a meaningful long stride forward. In any meaningful legislation no one is ever completely satisfied. Yet the need for reform legislation is too great and important to permit its defeat due to the opposition of those who are not completely satisfied. I hope this will not prove to be the case.

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

Mr. HUMPHREY. I am glad to yield to the distinguished Senator from Oregon.

Mr. NEUBERGER. I wish to say to the Senator from Minnesota that he is making a very able speech. I wish particularly to voice my concurrence with him when he points out that we should make a beginning in this very important field. I agree with him that S. 1555 is not a perfect bill. Nevertheless, it represents the viewpoint of numerous able and outstanding members of the Committee on Labor and Public Welfare who have carefully studied the problem and who feel that the bill represents a good start in solving the problem.

It is interesting to note that there are many people who wish to begin with a perfect bill in this field. Yet I doubt that any proposed legislation was perfect when it started through Congress. If I am not mistaken, the Constitution of the United States, not long after its adoption, had to be amended 10 times in order to protect the basic liberties of the American people.

It is very easy for some persons to say, "Unless the proposed legislation is perfect, it should be voted down." I am always reminded of a story which was told in Oregon by one of the greatest Senators in the history of our State, the late Charles L. McNary, who for many years was the Republican leader of the Senate. When speaking about people who would never go along with anything unless every "i" were dotted and every

"t" were crossed precisely in a proposal, Senator McNary said it reminded him of some little children in a classroom. The teacher said, "All of you who want to go to heaven raise your hand." Every child in the class raised his hand except one little boy. The teacher looked at him, singled him out with her eyes, and said, "Johnny, don't you want to go to heaven?"

The little boy replied, "Yes, but not with that bunch of fellows," pointing to the rest of the class.

It is true that some sincere people single out every possible objection or omission with respect to proposed legislation. It seems to me that if we are to make a beginning in the field of protecting union democracy and safeguarding the funds of the working people who pay dues to a labor union, we will be able later to make such changes by way of amendments as may prove to be necessary. This can follow the tested method of trial and error.

I also wish to say to the distinguished senior Senator from Minnesota—and I believe he will agree with me—that there are some people who would like to see labor so straitjacketed that it could not function at all. I was particularly struck that way last year when an amendment was offered on the floor of the Senate to provide that officials of labor unions should be subject to frequent recall elections. Yet U.S. Senators, who can send our men to Iwo Jima or Korea to risk their lives in defense of his country, are not now subject to recall. Those people ask for a higher degree of democracy in labor unions than is asked of Members of the U.S. Senate or of Members of the House or of the President of the United States, who hold sovereign control over every resident of the United States.

It seems to me a little bit inconsistent to propose that an official of a labor union should be subject to recall, lest democracy be endangered in the labor union, but that U.S. Senators should not be subject to recall. I believe we must keep this whole subject in proper perspective. I share the views the Senator from Minnesota is expressing in his very fine speech today. I agree that we must give financial protection to the people who pay dues and that we must safeguard union funds, and must also see to it that union elections are held in accordance with democratic principles, free from coercion. That does not mean that we must have an absolutely letter-perfect bill—and that if we do not have such a letter-perfect bill—we should not pass any bill at all. I again commend the distinguished Senator from Minnesota for the excellent speech he is making on this subject.

Mr. HUMPHREY. I thank the distinguished Senator from Oregon. His sentiments and observations are mine also. He has stated concisely and succinctly the philosophy which should guide us in voting on the many amendments which will be offered to the bill. We are taking a very substantial forward step with the proposed legislation. It is one which will keep us in stride with the needs and ne-

cessities of the labor-management picture.

I should like now to address myself to one of the several amendments intended to be proposed by the junior Senator from Arizona [Mr. GOLDWATER] and which is presently lying on the table. I refer to the amendment to extend the secondary boycott provisions of the National Labor Relations Act—4-15-59-C. I stress the word "extend," Mr. President, for this is a practice which has been regulated since 1947.

Mr. President, I do not discuss these features of the National Labor Relations Act without at least a working knowledge of the law. I served on the Committee on Labor and Public Welfare for 4 years. It was my privilege during those 4 years to be chairman of the Subcommittee on Labor-Management Relations. I participated in the debates relating to the Taft-Hartley law, the effort to repeal it, and the effort to amend it. In fact, it was my privilege to work side by side with the late Senator from Ohio, the very distinguished and honored Member of the Senate, Robert A. Taft, in proposing two amendments to the Taft-Hartley law, which were adopted. One of those amendments will be attempted to be repealed at this time. But I hope we shall not go backward in this debate. I refer to the amendment relating to the pre-election rights of the building trades. That was the Taft-Humphrey amendment to the National Labor Relations Act—the so-called Taft-Hartley law. It is a good amendment. I might add that if we had at that time the distinguished leader of the Republican ranks, the late Senator from Ohio, Mr. Taft, and the then junior Senator from Minnesota working together and agreeing on an amendment to the Taft-Hartley law, it must have had some substance and some worthwhile aspects, because Senator Taft and I did not always see eye to eye on some of the labor-management problems.

Congress in the National Labor Relations Act enacted stringent curbs on secondary boycotts. And the National Labor Relations Board is administering the secondary boycott prohibitions—section 8(b) (4)—with a zeal which resolves few doubts in favor of the legitimacy of any questioned activity. So much so that the courts of appeals have frequently reversed the Board for going too far. The Court of Appeals for the District of Columbia Circuit, for example, this past January set aside a Board order based on an alleged violation of section 8(b) (4) because in prohibiting the picketing in that case the Board was prohibiting, not a secondary boycott, but primary picketing. The Board had failed, said the court, "to preserve the right of labor organizations to bring pressure to bear on offending employers in primary labor disputes."

The Board failed to heed the admonition of the Supreme Court that section 8(b) (4) must be interpreted to harmonize "the dual congressional objectives of preserving the right of labor organizations to bring pressure to bear on offending employers in primary labor disputes and of shielding unoffending

employers and others from pressures in controversies not their own"—*N.L.R.B. v. Denver Bldg. & Const. Trades Council*, 341 U.S. 675, 692.

This proposed amendment—the one I referred to earlier, offered by the junior Senator from Arizona [Mr. GOLDWATER]—deals then with an activity which is already regulated and regulated plentifully. The effect of this existing regulation bears remembering. Broadly speaking, when a union has a dispute with company A concerning the conditions of employment at its plant, the union may not call out the employees of company B on strike, it may not picket the premises of company B to induce its employees to strike, and it may not induce even a refusal to work limited to not handling the products of company A. These means of bringing pressure on company A through company B are prohibited by law. And these are prohibited even though company A is paying substandard wages which are depressing and undermining the union standards throughout the industry. The sweatshop employer, no less than any other, in present law is protected. When Congress enacted section 8(b) (4) it embraced the premise that no distinction can be drawn between "good secondary boycotts and bad secondary boycotts"—*CONGRESSIONAL RECORD*, volume 93, part 3, page 4198.

It is proposed now, however, that it be declared an unfair labor practice to threaten, coerce, or restrain any person to engage in a boycott. But, it will be said, all that is prohibited is the threat, not persuasion. The fact is, however, that there is no meaningful line between the two, in this field at least. That is, there is no meaningful line which I think a legislative body can develop in theory. Any meaningful line would have to be determined in a court of law in light of the situation.

For example, suppose a union agent tells an employer, "We are having a strike at company A. Cooperate with us by not buying his goods until the strike is over." This is clearly persuasion. Suppose the union agent adds: "We have always gotten along well together. We want to be able to continue to do so. Do you think it would be wise for you to jeopardize our good relations by continuing to buy company A's products?" The question now is, Has persuasion passed to a veiled threat? Suppose the union agent goes on to say, "We realize that, because you have been barely able to get by, you have not complied strictly with our agreement but we have been willing to close our eyes to it. But our eyes will not remain closed if you don't stop buying company A's products." The question is, Is this an open threat?

At present, "a union is free to approach an employer to persuade him to engage in a boycott, so long as it refrains from the specifically prohibited means of coercion through inducement of employees." (*Local 1976, United Brotherhood of Carpenters v. N. L. R. B.*, 357 U.S. 93, 99.) This is nothing that can or should be changed by statute, as I indicated earlier. If an employer-customer continues to buy the product of the struck employer, he helps that

struck employer; if an employer-customer discontinues buying the product of the struck employer, he helps the union. But whatever he does he unavoidably helps one side or another. Surely the union must remain free to persuade the customer to help it, just as the struck employer is free to persuade the customer to continue to buy his product. This is but the exercise of free speech on both sides of the controversy.

It does not appear wise to me to enact by what might be called legislative determination this slippery line between threats and persuasion. Nor is there any need to do so. Actually, I am afraid this kind of amendment will confuse the situation, which throughout the years has been clarified by court interpretation. The actual act of calling the employees of the neutral employer out on strike, or the actual act of picketing his premises to induce the employees to strike, is now forbidden. It is, therefore, just idle talk to threaten to do either.

Just as we allow free speech to an employer in persuading his employees not to join a union—that is provided for in the Taft-Hartley law—so must we allow free speech to the union.

Furthermore, the proposed amendment is not even limited to a threat to strike or to induce a strike; it extends to any threat. But if the prohibited act is confined to a strike or inducement to strike, why should the prohibited threat extend beyond that?

The amendment is not limited only to threats. It also prohibits the union to coerce, or restrain.

By the way, those words sound pretty ugly until we start to examine them in the light of the law and in the light of actual labor-management practice.

At present a union may distribute leaflets at the premises of a neutral employer to persuade consumers not to buy the product of the struck employer. That is the law at the present time. If the persuasion is successful the neutral loses sales. Does this constitute restraint and coercion of the neutral employer? Under present law, it does not; but if the amendment shall be adopted, it will be necessary to go through a whole series of court actions again, and no one in the labor-management picture will know for many years where he stands. As a matter of fact, some of the amendments I have examined lend themselves not to labor-management peace, not to labor-management stability, but to labor-management instability and to confusion confounded. I suggest that rather than try to add to the troubles and the complexity of the law, we should try to simplify matters and learn how to utilize the law which we have, where that law is just and equitable.

The Board has indeed held that to place an employer on a "We Do Not Patronize" list is to restrain and coerce him. The Court of Appeals for the Ninth Circuit set aside the Board's determination and pointed out that the union's conduct was "within the general area of protection of the first amendment guaranteeing free speech." (*NLRB v. IAM, Local 942, C.A. 9, No. 15, 814, February 4, 1959, sl. op. p. 6.*)

I fear that this proposal may well invade this area. I ask the Senate to hold with Chief Justice Stone that the "publication, unaccompanied by violence, of a notice that the employer is unfair to organized labor and requesting the public not to patronize him is an exercise of the right of free speech guaranteed by the first amendment which cannot be made unlawful by act of Congress."

The citation is a familiar one to lawyers and even to some of us laymen: *United States v. Hutcheson*, 312 U.S. 219, 243.

To distribute leaflets at the premises of a neutral employer to persuade customers not to buy a struck product is one form of consumer appeal. To peacefully picket the customer entrances, with a placard asking that the struck product not be bought, is another form. I fear that consumer picketing may also be the target of the words "coerce, or restrain." I fear that, in addition to the existing foreclosure of the union on strike from making any effective appeal to the employees of the so-called neutral employer, the union by this amendment is now to be effectively sealed off from even an appeal to the consumers.

The National Labor Relations Act makes it an unfair labor practice for a union "to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal" to work. That is the law, and it is applied and upheld. But the amendment proposed by the Senator from Arizona [Mr. GOLDWATER] would change the words "employees of any employer" to "any individual employed by any person," and would delete the word "concerted."

This change may have as one purpose to forbid inducement of even a single employee acting alone to stop working for his neutral employer. Three courts of appeals have already construed the existing language to reach this result. And the inducement of a single employee's refusal to work at a neutral employer's premises is hardly substantial enough to be worth considering.

But I fear that more than appears at first glance is involved in this proposal.

At first glance, a layman would be inclined to conclude that the amendment was quite reasonable. It is when we consider the amendment within the framework of existing law, and when we consider its application by means of the National Labor Relations Board, and, consequently, by means of court interpretations and decisions, that we realize that there would be trouble.

As it now stands, section 8(b) (4) does not prohibit appeals or requests directed to supervisory or managerial employees, because these individuals are not employees within the statutory definition. But they are surely individuals; and to substitute the word "individual" for the word "employees" would place requests and appeals to them within the prohibition of the law. For example, an appeal to a supervisor to decline to accept a shipment from a struck employer is inducement of "any individual employed by any person" to engage in a "refusal" to work.

If this is the effect of the proposal, its adoption would completely isolate the union from any effective approach to the neutral employer, to persuade him or to encourage him to cooperate with the union by declining to do business with the struck employer, for the supervisors are the arms and legs of management. They are management on the job. The normal and natural approach to the neutral employer is through his supervisory and managerial personnel present on the job. Therefore, to prohibit the union from approaching them would be to cut off the union from its normal channels of communication. It would be a mockery to say that the union is free to persuade a neutral employer to assist it, but to deny the union access to the employer's supervisory and managerial staff. Especially is this so in the case of a corporate employer, who can act only through his supervisors and managers. How high in the corporation's officialdom would a union have to go before it could find a corporate agent with whom it would be safe to talk?

This is not defined in the amendment. It would have to come under some board or some judicial definition or interpretation. It would require action by the National Labor Relations Board, and, of course, such action would undoubtedly be appealed, and then there would be a whole series of court decisions as to the meaning of the word "individual", as contrasted to the statutory meaning of the word "employee." We have a complete interpretation of the meaning of the word "employee"; but we do not have such an interpretation of the meaning of the word "individual", as it applies to labor-management relations. I realize that these points may seem to amount to splitting hairs; but they indicate the problems involved in connection with such matters in labor-management relations.

I have given considerable attention to this proposed amendment, which is both technical and complicated. I have considered this matter carefully, because during my years of service on the Committee on Labor and Public Welfare I handled a number of such matters, and this is one about which I have at least a layman's working knowledge. When I considered the amendment, I said to myself, "This can lead to all kinds of trouble."

Mr. President, if the records of the Senate Committee on Labor and Public Welfare are examined, it will be found that this subject was discussed at length, several years running; and at no time was there a majority of the committee—in fact, not even close to a majority—who felt that any extension or expansion of the secondary boycott provision should be agreed to.

One last word, and I shall have said enough to show the effects of this proposed amendment. It purports to say that a secondary employer who performs the "farmed out" work of a struck employer is not entitled to the sheltered status of the neutral. He may be struck and picketed just as the primary employer is himself. This adds nothing to section 8(b) (4). As the section now stands, it does not protect a neutral em-

ployer who does the primary employer's work. In other words, the present law cannot be avoided by farming out the work of the struck plant. This matter is presently taken care of. As I have said, the applicable section of the Taft-Hartley law, as it now stands, does not protect a neutral employer who does the primary employer's work; and no amendment is needed for this.

But there is a very real danger that the amendment, far from confirming the present interpretation of section 8(b)(4) in this respect, would, in fact, detract from it, for the amendment would, according to my observations, permit a strike against the secondary employer only when he "has contracted or agreed with" a struck employer to do the latter's work. But, as the matter now stands, such a strike is permissible, whether or not there is a contract or an agreement, just so long as the secondary employer is actually doing struck work.

Here, again, Mr. President, we get into legalisms. In other words, has there been a formal agreement or an oral or a written contract? If there has been, then, under the proposed amendment, such protection of a neutral employer would be removed. But under present law that precise definition is not required. In other words, as I have pointed out, present law says such a strike is permissible, regardless of whether there is a contract or agreement, just so long as the secondary employer is actually doing struck work. As the leading case states, the secondary employers are not protected "whether or not the primary employer makes any direct arrangement with the secondary employers providing the services." (*N.L.R.B. v. Business Machine Board*, 228 F. 2d 553, 559 (C. A. 2), cert. denied, 351 U.S. 962.) Furthermore, the amendment pertains only to "any strike against, or refusal to perform services for," the secondary employer. Surely it must also be permissible to picket the secondary employer or otherwise to induce his employees to strike.

Section 8(b)(4) of the National Labor Relations Act, as it now stands, is an effective curb on secondary boycotts. I am quite sure that the Congress feels that it has been an effective curb on secondary boycotts.

One of the real justifications for the Taft-Hartley Act, in the view of those who favored it, was the efficacy and the adequacy of the so-called secondary-boycott provisions of that law. It was around those provisions that the defenders of the Taft-Hartley Act rallied. But now we see that these provisions are supposed to be even further extended—or further confounded, I may say. It has already taken us 10 years to get them untangled. But after having had 10 years in which to obtain working decisions and working, practical arrangements in regard to what is known as the secondary boycott and in regard to how the provisions of section 8(b)(4) are to be applied to practical situations, now it is proposed that the Congress adopt an amendment to rewrite the language. Well, Mr. President, many a season and many a year will pass, if that amendment is adopted, before an employer or a union

will know what the meaning of the law is. The legal officers will have to do their work; the National Labor Relations Board will have to interpret the language—because the language of a law means little or nothing until it is interpreted; and, after the National Labor Relations Board has interpreted the meaning of the words "coerce" or "threaten" or "force" or "restrain," the courts will, in turn, have to decide how those words apply to the cases in question.

Mr. President, legislation to extend or to expand the curb on secondary boycotts, as provided in the amendment we have been discussing, is, in my judgment, both unnecessary and potentially harmful, for the extensions invade, first, the areas of free speech; second, the rightful access of a union to persuade employers; and, third, the rightful enlistment by a union of consumer support.

In conclusion, Mr. President, I reiterate my hope that the Senate will pass the Labor-Management Reporting and Disclosure Act of 1959. The Senate had before it a similar bill a year ago. I voted for it then. I desire to register my vote for the pending bill now. I believe the Senate Committee on Labor and Public Welfare has done a very, very good job. We have watched this proposed legislation develop for months. A tremendous amount of testimony has been developed, and much staff and senatorial work has been done to make the bill a legislative reality.

It is a sound and a good proposal. It is a significant move forward, and one which merits bipartisan support. I hope the support will not only be bipartisan, but that the bill will be overwhelmingly supported by both parties.

I hope S. 1555 will not become burdened down with modifications, deletions, and additions, through floor amendments, so as to jeopardize its passage entirely. To me this would be a grave mistake, which we would long regret.

It is my feeling that the amendments which needed to be in this bill have already been included. The Committee on Labor and Public Welfare did not deny anyone the opportunity to be heard. Anyone who had a constructive proposal, or any other kind of proposal, could well have offered it to the Committee on Labor and Public Welfare; and members of the committee, who are experienced in this kind of legislation, would have considered it, and, if it had had merit, it could well have been included in the bill now before the Senate.

I shall encourage one and all to vote for S. 1555 as reported by the committee. It has my wholehearted support and assistance.

WASTE IN THE ADMINISTRATION'S SURPLUS PROPERTY DISPOSAL PROGRAM, WITH SPECIAL REFERENCE TO CARPENTERSVILLE, ILL.

Mr. DOUGLAS. Mr. President, for some time I have been critical of what I believe is excessive fat and waste in the procurement policies of the military services.

As of June 30, 1958, the Department of Defense had on hand over \$29 billion in real property and \$119 billion in personal property. These statistics and totals are given in a very accurate study by the House Committee on Government Operations of the 85th Congress, on page 65. Of this enormous total, \$44 billion was in the supply system inventory, locked up in warehouses here and abroad.

When these figures are examined more closely, as they are in the report, on page 98 and following, it is seen that of the \$44 billion in the supply system inventory, only \$27 billion are for peacetime operating needs and for the additional supplies which are adjudged necessary for our Armed Forces in time of war. The remaining \$17 billion is in excess stocks. This is admitted by the Defense Department to be in excess of both war and peacetime needs. This is a shocking total.

It has been my contention that by drawing down on these excess supplies, the military departments could save \$2 to \$3 billion in the fiscal year 1960 budget. These funds could then be used to increase our existing and potential supplies of missiles and to keep the Army and Marine Corps combat troops at the number which Congress has authorized, and for which it has appropriated, and which the President has failed to carry out.

WASTE IN SURPLUS DISPOSAL

My suspicions that there is great waste in the procurement and use of these vast military supplies have been fortified by some specific events in my own State in recent months. The Chicago Sun Times, and their able reporter, Mr. Richard Lewis, have uncovered a scandalous situation with respect to the handling of surplus property at Carpentersville, Ill.

What happened in my own State was this: Hundreds of thousands of dollars of so-called Federal surplus property was donated by the Federal Government to the State of Illinois, ostensibly for the use of schools, nonprofit hospitals, and civil defense.

Equipment included cranes, tractors, trucks, road graders, flashlights, pen-points, stop watches, parkas, beds, load-lifting machines, loaders, chain hoists, compressors, motors, generators, lathes, mill machines, road rollers, ditching machines, grinders, pumps, portable power-plants, typewriters, desks, paper, adding machines, binoculars, beds, steel cabinets, wool cloth, searchlights, athletic equipment, including track shoes—and it would be interesting to note for what purpose track shoes were regarded as combat equipment—telescopes, barber kits, gasoline pumps, swivel chairs—I know a swivel chair is a very important item of military equipment—stamping pads, card files, and even a calculating machine to add up all the excess property.

SHOULD THESE ITEMS BE SURPLUS?

Let me say that my first objection to this is that there certainly seem to be items among those which the Federal Government has declared as surplus for which the Federal Government should be able to find more useful purposes. I doubt that some of them were actual surplus. I suspect that the Government is

buying similar or like equipment to be used in other places, and I think there is tremendous waste in a procurement system in which so many items of these kinds could conceivably be declared surplus items.

In fact, while the administration was disposing of a bus to the State of Illinois, it was asking in the current budget for over \$3 million net, after trade-ins, with which to purchase no less than 787 new buses. The figures for this item can be found on page 535 of the budget for 1959 and 1960, Item M60, Department of Defense.

Of course, the Government has also been purchasing additional typewriters, steel cabinets, wool cloth, and many other items it was disposing of so lavishly; although I grant it is quite possible that they were not buying addition track shoes for combat purposes.

After receiving these hundreds of thousands of dollars of Federal surplus items, the State government then distributed them. This was done by the State superintendent of public instruction, Mr. Vernon L. Nickell, whose administration was already scandal-ridden by his handling of surplus foods for the school lunch program.

SMALL TOWN GOT \$400,000 OF SURPLUS ITEMS

The new scandal is what happened to the items which were distributed to Carpentersville, Ill. This is a village of about 12,000 people near Elgin and about 40 miles west of Chicago. The Civil Defense Corps of this small city of Carpentersville, Ill., was issued Federal surplus property valued at no less than \$345,733.85. This village of 12,000 people received, in fact, more surplus property for civil defense purposes than the Chicago board of education received during the entire school year 1957 and 1958 for a city of 3.75 million people.

It is, of course, suspicious when a small city can receive such huge amounts of so-called Federal surplus items, many of which would hardly seem to be related to civil defense and many of which one would think the military services of the United States would need, or, if their procurement policies were proper, should never have been declared surplus in the first place.

However, not only has the Federal Government given to the State vast quantities of items which one doubts are surplus, or if they are surplus, which should never have been surplus if proper procedures had been followed; and not only has the State of Illinois and the former superintendent of schools distributed almost \$400,000 of such surpluses to one village of 12,000 people; but in addition to all this, vast quantities of the surplus stocks distributed to Carpentersville have ended up free of charge in the yards of a private excavating and earthmoving company which is the prime contractor for a multimillion-dollar housing development in the area.

ITEMS PRIVATE CONTRACTOR RECEIVED

I point out that among the so-called surplus items which ended up in the yards of the private contractor and

which apparently were used by that firm were:

First. A 3,000-pound fork lift which had cost the U.S. Air Force \$3,645. It was turned over to the Carpentersville Civil Defense Corp. for \$50.

Second. A model P. & H. crane, with a U.S. Army Corps of Engineers acquisition cost of \$27,888. This cost Carpentersville \$200. It was being used by the private contractor.

Third. A boom crane shovel, which had cost the Corps of Engineers \$32,733. Carpentersville got it from the State for \$200.

Fourth. A 15-ton dump truck which cost the Air Force \$18,200. It was sold to Carpentersville for \$200.

Fifth. A GMC compressor truck which had cost the Army \$2,114.

I ask unanimous consent that an article by Mr. Lewis, together with an editorial from the Chicago Sun-Times, be printed in the RECORD at this point.

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

[From the Chicago Sun-Times, Mar. 31, 1959]

CIVIL DEFENSE EQUIPMENT WINDS UP IN PRIVATE USE

(By Richard Lewis)

The Sun-Times has uncovered instances in which Federal surplus property, intended for use by the State and local agencies, has wound up in private hands.

Involved is property valued by the United States at more than \$500,000.

The equipment, including huge earthmoving and construction machines, was donated to the State by the U.S. Department of Health, Education, and Welfare.

MACHINERY TRACED

Under Federal regulations, it was to be distributed to schools, nonprofit hospitals, and civil defense by the State Agency for Surplus Property, now under Governor Stratton's control.

The Sun-Times has found that U.S. surplus machinery costing more than \$100,000 is now in the yards of a Kane County contracting firm, which has been using it for months.

The machinery is part of a mountainous load of Federal surplus valued at \$345,733.85 and acquired in 1 year from the State by the Carpentersville Civil Defense Corps.

Carpentersville, a village of about 12,000 in Kane County near Elgin, received more U.S. surplus equipment (in terms of U.S. valuation) during 1957-58 than the Chicago Board of Education.

The only cost charged by the State for the equipment, consisting of about 2,000 items, was \$7,811.50 in handling charges. Of this, \$962.81 remains unpaid to the State agency, its records show.

The private contracting firm that got the use of much of the equipment is Steffan Bros. of Carpentersville, prime contractor for the multimillion-dollar Meadowdale development in the Fox River Valley.

The development includes a 4,000-home housing project, a giant shopping center and an auto race track 40 miles northwest of Chicago. The developer is Leonard W. Besinger & Associates, Carpentersville.

ARRANGEMENT EXPLAINED

Ed Steffan, president of Steffan Bros., said he was using cranes, trucks, tractors, and other Federal surplus in his business as the result of a verbal agreement with the Carpentersville Civil Defense Corps.

The arrangement, he said, provided that Steffan Bros. would maintain the equip-

ment against the day when disaster might strike the village. Then it would be made immediately available to civil defense, he said.

"We've just spent about \$2,000 putting new gears in that crane out back," Steffan said. He pointed to a U.S. surplus crane with an acquisition cost of \$27,000, which the Carpentersville civil defense had picked up from the State for \$200.

"We feel we ought to get some use out of it," Steffan said. "If you don't keep this machinery operating, it simply deteriorates."

INTERLOCKING INTEREST

Steffan said he does all the excavating for the Meadowdale development—which is beginning to rival Park Forest in size as a community created by a single developer.

He said the developer, Besinger & Associates, has a financial interest in his firm.

Leonard W. Besinger, head of Besinger & Associates, could not be reached for comment by the Sun-Times. His son, Leonard Jr., an associate in the firm, said he understood "we have an interest" in Steffan Bros.

FEDERAL INVESTIGATION

The Sun-Times found that Federal authorities are investigating the disposition of this and other Federal surplus costing \$400,000.

Approximately 2,600 items of U.S. surplus donated to the State and distributed by the State agency for surplus property are involved.

The equipment ranges from cranes, tractors, trucks, road graders and a bus to flashlights, penpoints, stopwatches, parkas, and beds.

Until last January 1, the State surplus property agency had been operating under the supervision of Vernon L. Nickell, former State superintendent of public instruction, whose term expired January 12.

(Nickell figured in a Sun-Times investigation of overcharges in the distribution of U.S. surplus food donated to the State by the U.S. Agriculture Department for schools and State welfare institutions.)

AGENCY TRANSFERRED

Both the distribution of surplus equipment and of surplus food were under Nickell's administration. Twelve days before Nickell, a Republican, surrendered the office to his Democratic successor, George T. Wilkins, Governor Stratton transferred the agency and all of its records to his department of finance. He left food distribution in Wilkins' hands.

The Sun-Times has learned that the State agency's operations had been under scrutiny since last July by the U.S. Department of Health, Education, and Welfare, the U.S. Office of Defense and Civilian Mobilization, and even the Illinois State police.

It also learned that various transactions involved have been called to the attention of U.S. Attorney Robert Tieken and State's Attorney Benjamin S. Adamowski.

This situation came to light when the Sun-Times examined the surplus agency's records in Springfield after discovering that thousands of dollars' worth of Federal surplus equipment had been delivered to private contractors after being distributed by the State.

Governor Stratton's office said the Governor had no comment on the surplus property situation.

The most interesting aspects of the surplus property situation were found in Carpentersville.

BEGAN IN 1957

The village's record draw of surplus appears to have begun July 1, 1957, when Douglas C. Scott, a mail carrier in the Carpentersville post office, was appointed village civil defense director and authorized to obtain surplus property from the State by J. L. Homer, executive officer of the Illinois Civil Defense Agency.

Shortly after receiving the authorization, Scott began acquiring the surplus from the Illinois State Fairgrounds and a private warehouse where the State agency stored the equipment and from the U.S. Engineer depot in Granite City.

Some of the equipment consisted of load-lifting machines, cranes, trucks, tractors, loaders, chain hoists, compressors, motors, generators, lathes, a mill machine, a drilling machine, a welding machine, a road roller, a ditching machine, a grinder, a road scraper, pumps, a portable powerplant and even a 29-passenger bus.

ITEMS LISTED

In addition, the Carpentersville Civil Defense Corps received typewriters, desks, paper, adding machines, binoculars, beds, steel cabinets (in 372 sections), wool cloth (145 yards of it), parkas, flashlights, searchlights, athletic equipment, including track shoes, telescopes, barber kits, gasoline pumps, a swivel chair, stamping pads (40), card files and other items, including a calculating machine to tote it all up.

These items were shipped to Carpentersville between July 1, 1957, and July 28, 1958.

The Sun-Times found the following items in the yards of Steffan Bros., excavating and earth-moving contractors:

1. A 3,000-pound forklift, which had cost the U.S. Air Force \$3,645. State records show it was turned over to the Carpentersville Civil Defense Corp., August 27, 1957, for \$50.

2. A model P. & H. crane, with a U.S. Army Corps of Engineers acquisition cost of \$27,880. Carpentersville got it from the State for \$200 September 25, 1957. This piece of equipment was being used by Steffan Bros. in a gravel pit at Carpentersville last Friday.

3. A boom crane shovel, which had cost the Corps of Engineers \$32,733. Carpentersville got it from the State for \$200 February 14, 1958.

4. A 15-ton dump truck, which had cost the Air Force \$18,200. Carpentersville got it from the State for \$200 January 27, 1958.

This equipment currently is in use by Steffan Bros. in the gravel pit. Friday afternoon, the crane was loading aggregate into the truck.

5. A GMC compressor truck, which had cost the Army \$2,114. It was parked in the contractor's yards.

OPERATIONAL READINESS

State records show this equipment was donated to the Carpentersville Civil Defense Corps for the purposes of "operational readiness" and "training."

Records of the Illinois Civil Defense Agency fail to show that the Carpentersville corps has ever held an exercise.

In addition, the Sun-Times found another crane, an aggregate loader, a 5-ton cargo truck, and other equipment bearing U.S. markings parked in the contractor's yards.

VISIT SPRINGFIELD

Steffan said that Scott, the village's first civil defense director, had frequently flown to Springfield to get the equipment in an airplane owned by the Besinger firm.

Steffan said Scott was accompanied by David Hoppe, a cement contractor associated with the Besinger firm and Steffan Bros. in the Meadowdale development.

Steffan admitted that some of the surplus equipment had been used in the development of the Meadowdale International Raceways, an auto track on Illinois 31 near Dundee, the Meadowdale shopping center and the Meadowdale housing development.

"We needed every piece of equipment we could get," Steffan said. "There's never enough when you're building what amounts to a new city."

"The equipment is and always has been instantly available in the event of a disaster."

Scott confirmed Steffan's account of how the surplus equipment came to be used by a private contractor.

Scott said he had quit as the village mail carrier and has engaged in a business venture, which he declined to describe.

He said he was accompanied by representatives of Steffan Bros. as well as by Hoppe on his trips to Springfield to equip the Civil Defense Corps.

Asked why he had acquired such a large volume of equipment, which had cost the United States more than \$345,000, Scott said:

"I wanted to make Carpentersville the best-equipped civil defense force in this area."

"You see, Carpentersville is very strategic. It lies between two target cities, Rockford and Chicago. In the event of a disaster, if one of these cities was hit, we could get this stuff moving either way."

"It was a good plan and the State civil defense people approved it."

Scott said that the plan was coming along nicely as voluminous stores of surplus rolled into Carpentersville until he found that Steffan Bros. was using the stuff outside the village limits.

Scott said that when he protested, he was fired as civil-defense director by "hizzoner, the mayor."

The mayor is Colin Livingston, president of the Carpentersville Village Board of Trustees.

CONCEALS REASONS

Livingston said there were specific reasons for firing Scott, but he declined to discuss them.

He said that he appointed Hoppe, the cement contractor, as Scott's successor.

State records show that Hoppe continued acquiring surplus equipment for the State.

But Hoppe told the Sun-Times that although the mayor appointed him, "I was taken off before I was sworn in."

Asked who removed him as civil defense director, Hoppe said: "The mayor did."

WHO'S DIRECTOR NOW?

Asked how he acquired surplus for the Carpentersville civil defense corps if he had never legally been the village's civil-defense director, Hoppe declined to comment.

He also refused to comment on Steffan's assertion that Hoppe had gone to Springfield with Scott to pick up surplus.

Who is civil defense director of Carpentersville in charge of equipment costing \$345,000?

Mayor Livingston wasn't sure.

"If anyone is," he said, "I guess I am. But I'm not doing anything about it."

[From the Chicago Sun-Times, Apr. 2, 1959]

THE CARPENTERSVILLE SCANDAL

Eight months ago the Federal Government learned that U.S. surplus machinery worth thousands of dollars had been turned over by the Illinois town of Carpentersville to a private contractor. The Carpentersville Civil Defense Corps had turned over trucks, tractors, cranes, and other property to Steffan Bros., a prime contractor for the multi-million-dollar Meadowdale shopping and housing development in the Fox River Valley.

A Government inspector's report filed at that time said there appeared to be "implications of fraud and misuse of Government property" involved.

There was some newspaper publicity at the time and the general public might have assumed that action had been taken by State, local, or Federal authorities.

The fact is, however, that nothing was done about correcting the situation. The contractor continued to use public property for a private use. He did not even pay a rental fee. Not until the Chicago Sun-Times, after its own extensive investigation, printed a news story by Richard Lewis, with pictures of the machinery still being used, did any

official step in and correct the misuse of public property.

The story appeared on our front page Tuesday. That same day Frank O. Starr, regional director of the Office of Civilian Defense Mobilization at Battle Creek, Mich., moved to repossess the machinery. He said that Carpentersville had been suspended from the surplus-property program last July 24.

This case is another good example of the manner in which a free and energetic press must continuously ride herd on public officials in the public interest.

We do not know, of course, whether there would have been action in the Carpentersville case if we had not published the current facts about it. But it seems to us that 8 months is a long time for repossession of the equipment to be started. There are plenty of questions that should be answered by all public officials involved.

Last July 28, Robert M. Woodward, State civil defense director, said he had ordered the equipment impounded. He said he had requested an investigation by the Federal Bureau of Investigation, the U.S. attorney for the northern district of Illinois, the chief investigator for the State's attorney general, the Illinois Department of Public Safety, and the State's attorney of Kane County.

Woodward says he was told that U.S. Attorney Robert Tleken advised against repossessing the equipment because it would interfere with investigation by the FBI. Tleken, to the contrary, says he told Woodward to go ahead and repossess the machinery.

Buck-passing of this sort and the entire disposition of surplus property by the agency that Governor Stratton recently transferred to his own control are proper subjects, we believe, for a legislative investigation such as has been proposed by Majority Leader William G. Clark, Democrat of Chicago.

SERIOUS QUESTIONS RAISED

Mr. DOUGLAS. Mr. President, this is a scandalous situation.

First. Why should such valuable property be declared surplus in the first place? What kind of procurement policies do we have when such things as forklift trucks, cranes, dump trucks, compressor trucks, as well as buses, typewriters, lathes, and hundreds of other items are sold for less than 1 cent on the dollar at the same time that our military services are buying similar items for 100 cents on the dollar.

Second. Why should it be virtually given by the State to small communities for so-called civil defense activities? Is it not absurd that a village of 12,000 should receive almost \$400,000 worth of equipment for civil defense purposes?

Third. How is it that much of this valuable property ends up in the hands of a private contractor?

Fourth. Why is it that no action was taken on this matter during the period of 8 months from the time the Federal Government first learned that these supplies were in the hands of private contractors, and after a Government inspector's report stated that there appeared to be "implications of fraud and misuse of Government property" involved. The reasons for this delay should be probed.

These are serious questions which need serious answers. There are real questions about waste in our procurement and surplus disposal policies, and about misuse of such items by the officials of the State of Illinois, and about

possible fraud and waste on the part of numerous individuals, both at the local and State level.

GOVERNMENT COULD SAVE MILLIONS

I repeat what I have said on numerous previous occasions. There are so many instances of obvious waste and misuse of our military items, and so many valuable items which are declared surplus and sold for only a few cents on the dollar—and in this case for much less than that—and so many instances of windfall gains by a few people who happen to be on the inside of these deals, that I believe the Federal Government must lose several billions of dollars a year on such activities. I believe that with more care, better planning, and some willingness on the part of the Defense Department, the Budget Bureau, and the President himself, to act on these matters, we could save the Federal Government as much as \$2 or \$3 billions. This then could be used to buy more missiles and to keep our combat troops at existing strength. Possibly a little of the money could be used to balance the budget.

COMPTROLLER GENERAL SHOULD INVESTIGATE

As a result of all this, I have addressed a letter to the Comptroller General asking that he determine to what extent the military departments have been purchasing similar or exact items which they have, at the same time, declared to be surplus. I have furthermore sent to him a partial list of the items which were obtained as surplus by the State of Illinois civil defense agency authorities and by the civil defense groups at Carpentersville, Ill.

I now publicly ask the Comptroller General to conduct a searching and relentless investigation of the disposal of Government property in general and of the Carpentersville and allied situations in particular.

HENRY CLAY AND THE MOVEMENT FOR INDEPENDENCE IN VENEZUELA

Mr. COOPER. Mr. President, several days ago I was pleased and honored to receive an invitation from representatives of Americans, resident in Venezuela, asking me to speak in Caracas this Sunday, April 19, on the 149th anniversary of the commencement of the struggle of the Venezuelan people for independence. I was asked to discuss the efforts of a great Kentuckian, Henry Clay, whose birthday was last Sunday, April 12, in connection with the revolution of the Venezuelan people. I was extremely sorry that I could not accept the invitation, but I wish to speak briefly today about the influence of Henry Clay, upon the movement in Latin America toward independence, over 100 years ago.

Mr. President, I take great pleasure in saluting the Venezuelan people as they celebrate the anniversary of the beginning of their independence movement. The years of our generation are in some ways reminiscent of the early years of the preceding century, when we were seeking to develop and preserve our republican form of government, and the struggling Latin American colonies were

seeking to win their freedom. Then as now, authoritarian governments covered wide areas of the globe. Then, the concepts of democratic government were new and threatened with engulfment, as they are in some parts of the world today. Now they are assailed by methods total in their scope—ideological, economic and military. But consistently throughout this time of striving, the world has looked with hope and confidence to Latin America.

For all of us who believe in freedom and democracy, its reemergence in Venezuela and other Latin-American countries is a victory in which all who love liberty can share.

Nearly 150 years ago, a great Kentucky statesman, Henry Clay, made common cause with fighters for South American liberation—with great leaders such as Simon Bolivar, Francisco de Miranda, and the peoples who followed them with courage. From the young Republic to the north, Henry Clay's voice in the House of Representatives in May of 1818 was the first to speak out strongly with encouragement and sympathy for the struggling and emerging Latin American countries. In Spain and Europe as well, it is said, his words burst like a clap of thunder from the skies.

The vision of Henry Clay—the vision of the common cause of Latin America and the United States—is as worthy today as it was then. Our friendship, growing from the same experience and traditions of freedom, should be nourished and made to live again in its finest form, for we have much to bind us together: Belief in human rights, ideals of democratic government, and of social and economic justice.

Venezuela is vitally reaffirming these beliefs in its present political life. In doing so it strengthens the fabric of our inter-American life. And it is on the basis of our democratic faith of action and helpfulness to each other that the peoples of this hemisphere can make the most effective contribution to world order, freedom, and peace.

Perhaps I can do no better than to quote from Henry Clay himself, who in referring to South America, said in a memorable speech in the Congress on May 24, 1818:

Within this vast region we behold the most sublime and interesting objects of creation; the loftiest mountains, the most majestic rivers in the world; the richest mines of precious metals, and the choicest productions of the earth. We behold there a spectacle still more interesting and sublime—the glorious spectacle of 18 millions of people struggling to burst their chains and be free. * * * We perceive that nature has, as it were, ordained that this people and this country shall ultimately constitute several different nations. * * * I am persuaded that independence has struck deep root.

When I contemplate (this) glorious struggle * * * I think I behold (my) brother rising, by the power and energy of his fine native genius, to the manly rank which nature, and nature's God, intended for him.

I like very much the sentiment he then expressed—one based on the necessity of mutual respect and equality. Henry Clay said:

Anxious as I am that they should be free governments, we have no right to prescribe

for them. They are, and ought to be, the sole judges for themselves. But I am strongly inclined to believe that they will in most if not all parts of their country, establish free governments. * * * They will establish their independence, and secure the enjoyment of those rights and blessings which rightfully belong to them.

I am very hopeful that, as we consider our present relations with the countries of Latin America, the encouragement which Henry Clay gave to Venezuela and Latin America at the beginning of their revolution and struggle for independence, and the wise advice he gave our country, will again animate our relations and our peoples. If it does, I am confident that our relationships with Latin America will continue to grow in strength, in respect, and true friendship.

Mr. President, I desire to discuss another subject.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

DISTRIBUTION OF SURPLUS FOOD TO NEEDY FAMILIES

Mr. COOPER. Mr. President, I am delighted that the Department of Agriculture has decided to buy dried eggs for distribution to needy families in Kentucky and other States.

I very much appreciate this action of Secretary of Agriculture Ezra Taft Benson, which was announced late yesterday. I am sure that many families in the distressed Kentucky areas, which I visited again only last week, will be deeply grateful.

I hope this policy will be continued and extended so that some of the other foods beyond the very limited kinds in Government-owned stocks may also be made available. Thousands of hungry families in eastern Kentucky and other States desperately need a better variety of food and a more nearly adequate minimum diet.

Since last fall, I have repeatedly urged the Secretary of Agriculture to take immediate steps to make additional kinds of food available to needy persons. I made that effort in conferences with the Secretary of Agriculture, and in many letters which I wrote to the Department of Agriculture.

On January 17, I introduced a bill, S. 489, to provide additional kinds of food through the Department of Agriculture's food distribution program, and to require that first consideration in food disposal programs be given to needy families in our own country. In my remarks on the Senate floor at that time, and on several occasions since, I asked that dried eggs, as well as such things as dried beans, cooking oil, potatoes, and perhaps some fresh vegetables and fruits, and possibly some meats, be distributed.

I am happy to note that the action of the Department follows almost exactly the course I have urged for nearly 6 months. That is, section 32 funds available under an existing appropriation will be utilized in order to supply additional food to needy families—just as has been done in the past for schoolchildren under the school lunch program.

It has been my contention all along, in discussions with the Secretary of Agri-

culture and other officials, that the Department already had authority under section 32 to provide foods in addition to those limited kinds now in Government stocks, such as cornmeal, flour, rice, and dried milk. Now that this authority has been recognized, and again used, I think it is clear that there can be justified hope that other foods may be added when market conditions warrant this action.

Of course, under the law, one purpose of the Department's action is to help stabilize and strengthen prices to egg producers. I recognize that encouraging stable markets is an essential feature of the existing authority, and point out that my bill rested on this established principle, that I did not contemplate a general welfare or relief-type program under the Department of Agriculture.

I understand that, assuming the egg market does not rise rapidly, consumer-size cans of dried eggs will move into distribution channels within 4 to 6 weeks, after weekly purchases have begun, and the eggs processed.

I say again that I consider this an important step forward in recognizing the human problems in seriously distressed areas, and the need of hungry people in our own country. I know the Secretary's action will be welcomed by thousands of families, who through no fault of their own now must depend largely on this source of food.

I call attention also to my recent statement in the Senate urging the establishment of a home-garden program for needy families. In eastern Kentucky and elsewhere, I am sure that many families, with a little encouragement and help, can do a great deal to raise their own fresh vegetables—just as was done during World War II under the victory garden program.

I wish to commend the Department for its recognition of the problem and its action in meeting human needs which still exist in our own country.

Now, Mr. President, with all the great problems we discuss in the Senate, I am sure that discussion about dried eggs, potatoes, and beans, or about home vegetable gardens, may seem to many as not involving matters of large moment. But I say that it is a matter of large moment, of importance to the thousands of families now absolutely dependent, or subsisting in large measure on food from surplus Government stocks because they are out of work.

Mr. President, I do not wish to labor this problem. However, for 6 months I have urged before the Secretary of Agriculture that, at a time when many areas of our country are enjoying the greatest prosperity they have ever known, the very fact that there is such great wealth in the country among many people, and because there is this prosperity in the land, we should have compassion on, and consideration for, the hundreds of thousands of people who do not have enough food day by day.

I consider it a large matter indeed. I am glad that I can speak for a few minutes about such things as dried eggs, potatoes, and beans. I earnestly hope that the Secretary of Agriculture and the agricultural committees of the House

and Senate will take any other action needed.

I hope that within a few days we will see more and more of the surplus foods of the country channeled to the needy families in my own State and in other States, who desperately need those foods.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

The Senate resumed the consideration of the bill (S. 1555) 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.

Mr. MOSS. Mr. President, I rise in support of S. 1555, the "Labor-Management Reporting and Disclosure Act of 1959."

This bill is both nonpartisan and bipartisan. It is reasonable and fair. I am convinced that it will be an effective instrument for dealing with the problems of corruption, gangsterism, and internal union abuses which shocked the conscience of the country when they were brought to light in recent congressional investigations, including those of the Senate select committee, headed by the Senator from Arkansas [Mr. McCLELLAN].

The proposed "Labor-Management Reporting and Disclosure Act of 1959" is nonpartisan in the sense that it represents the work of experts both in and out of Congress and from the ranks of labor and industry. Although the bill would impose detailed reporting requirements on unions and would require them to conform to certain standards in connection with the imposition and maintenance of trusteeships and the election and removal of officers, the bill has the support of the principal labor organizations, particularly those affiliated with the American Federation of Labor and the Congress of Industrial Organizations. This support is not given because labor believes the bill to be a weak or ineffective measure to control internal union affairs and financial activities, but because the labor movement is as concerned as are other segments of our society in eradicating from the labor-management field those who are contributing to delinquency in labor management relations by engaging in and encouraging corrupt practices and undemocratic behavior.

Labor leaders, as well as the rank and file of the membership of labor organizations, are just as anxious that this bill be passed as is the average citizen.

On the management side, many spokesmen have expressed their opposition to the bill, claiming, on the one hand, that it imposes unfair and too rigorous reporting requirements on employers, and on the other hand, that it does not impose sufficient restrictions on unions. Nevertheless, there are many in management who support S. 1555 because they know that this bill presents the only feasible opportunity at this time to do some-

thing constructive and wholesome about the problems of corruption and other abuses in the labor and management field. I think it would be unfortunate to reject it because some people believe it is not strong enough, and run the risk of not passing a labor reform bill at all.

Senate bill 1555 is substantially the same as the Kennedy-Ives bill which the Senate passed by an overwhelming vote a year ago. Following the defeat of that bill by the House of Representatives, however, the bill's provisions were obviously carefully scrutinized to eliminate defects which had been revealed during Senate consideration last year and improve and strengthen its provisions. Following further hearings on the bill before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare, both the subcommittee and the full committee went over the bill, line by line, and again made changes to improve the bill and make its provisions more workable and effective. The distinguished Senator from Massachusetts [Mr. KENNEDY] tells us that the committee, in executive session, considered more than 150 amendments and adopted 46 of these amendments. Plainly, this bill is nonpartisan in character and is the product of expert draftsmanship and careful congressional consideration.

I want to disgress briefly to commend the committee and its staff members for the tremendous job they have done. I know how many hours of exacting work went into the measure which is before us today. I pay tribute to their earnestness and diligence.

The bill is also bipartisan as well as nonpartisan legislation. The principal sponsors of labor-management reform legislation during the last session of Congress came from both sides of the aisle, and were led on this side of the aisle by the Senator from Massachusetts, and on the other side of the aisle by former Senator Irving Ives of New York.

While the Kennedy-Ervin bill had no sponsors from the other side of the aisle as it was originally introduced, it is once again a bipartisan measure as it comes before the Senate today. In the process of consideration of the bill in committee, changes were made upon the basis of which two of our colleagues on the other side of the aisle, namely the Senator from Kentucky [Mr. COOPER] and the Senator from New York [Mr. JAVITS], who are members of the committee, have added their names to the list of sponsors of the proposed legislation.

I emphasize the bipartisan sponsorship of this bill because there are all too many persons who want to use it for political purposes rather than to achieve feasible and effective measures to deal with corruption and other abuses it undertakes to correct. Although it is undoubtedly true that politics brought each one of us to this body, it seems to me to be essential that we must deal with these important problems in both a nonpartisan and bipartisan fashion.

Mr. President, Senate bill 1555 was reported by a vote of 13 to 2, with minority views by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Arizona [Mr. GOLDWATER] and supplemental and

individual views by Senators COOPER, JAVITS, and PROUTY. I am convinced that anyone who reads the report and these views can come to no other conclusion than that the bill avoids extremes and is fair to labor unions and their members, as well as to employers and the middlemen whom many of them employ.

The bill relies heavily on the theory that if the internal procedures and financial transactions of unions and employers and their officers and representatives are made public, union members and public opinion will compel the elimination of improper and unethical practices. In my judgment, this is a sound and constructive theory. The same principle was embodied in the Welfare and Pension Plans Disclosure Act which was enacted by the Congress last year to deal with serious problems and abuses, involving in some instances millions of dollars, which had arisen in connection with the administration of employee health, welfare, and pension plans.

Disclosures before the McClellan committee indicate that most union members and their leaders have a high sense of responsibility for the conduct of the affairs of their organizations and the expenditure of their unions' funds. They strive to avoid becoming enmeshed in conflict of interest transactions involving their unions. It is unfortunate that some union leaders have not been faithful to their trust and that legislation is needed to clean up corruption. The reporting requirements which the bill imposes on unions and their officers and employees are well adapted to expose abuses to the light of day where they can be effectively dealt with by the members.

It is also important, I think, that the Senate keep in mind that, as the Committee on Labor and Public Welfare has pointed out in its report:

There are important sections of management that refused to recognize that the employees have a right to form and join unions without interference and to enjoy freely the right to bargain collectively with their employer concerning their wages, working conditions, and other conditions of employment. The hearings of the McClellan committee have shown that employers have often cooperated with and even aided crooks and racketeers in the labor movement at the expense of their own employees. They have employed so-called middlemen to organize no-union committees and engage in other activities to prevent union organization among their employees. They have financed community campaigns to defeat union organization. They have employed investigators and informers to report on the organizing efforts of employees and unions.

I agree wholeheartedly with the committee that it is "essential that any legislation which purports to drive corruption and improper activities out of labor-management relations should contain provisions dealing effectively with these problems." The reporting provisions of the bill which apply to employers and others acting for them are designed to bring and keep their antiunion activities in the open.

The bill's reporting requirements are supplemented by provisions assuring union members an opportunity at peri-

odic intervals and by secret ballot to pass judgment on the conduct of their officers and to elect others to replace those who have been guilty of improper conduct.

In addition, the bill makes it a criminal offense for union officers or employees, or for employers or their middlemen, to do certain things. While bribery and extortion, shakedowns, and payoffs are already criminal offenses under the laws of most of the States, the Federal criminal penalties provided for in Senate bill 1555 will contribute important additional sanctions in support of the reporting requirements of the bill.

Some persons, many of whom are well-intentioned, believe that Senate bill 1555 is not sufficiently tough in dealing with the racketeering and wrongdoing brought to light by the McClellan committee. I am receiving mail in this vein, and I imagine that most other Senators are also.

The bill undoubtedly could be made much tougher. If all we are concerned about is the abuses which have been found in labor-management relations, perhaps the most effective way to abolish them would be to abolish labor-management relations. I do not believe, however, that any responsible person seriously contends that labor unions ought to be abolished, or that all plants and enterprises should be turned over to the employees to be run by them without any interference from the owners.

In devising legislation to deal with corruption and improper practices, the problem is to decide where the line should be drawn between conduct which ought to be permissible and conduct which ought to be prohibited. It is also imperative that the legislation deal precisely with the abuses it is designed to deal with and not with problems involving entirely different considerations.

The Committee on Labor and Public Welfare has recognized that there are problems in the field of labor-management relations which require legislative action, as well as in the field of labor and management reform. It has established a special panel of experts representing industry, labor, and the public to recommend changes in the Taft-Hartley Act which have become necessary because of developments in labor-management relations since the passage of that act. This panel will submit a report to the Committee on Labor and Public Welfare, and presumably that committee will draft proposed legislation based on those recommendations. In these circumstances, provisions which would make substantial changes in the present relationships between management and labor have no place in Senate bill 1555. The bill is designed to deal with corruption and undemocratic practices. It is not intended to write a new balance in labor-management relations.

I think it is worth calling to the attention of the Senate the fact that although labor unions have fought long and vigorously for the repeal of State right-to-work laws or for amendment of the Taft-Hartley Act to prohibit State right-to-work laws, the AFL-CIO has not pressed for the repeal of section 14(b) of the act in this bill. This is particu-

larly noteworthy, since in the last general election five States rejected right-to-work laws by large majorities.

As a labor-management reform bill, S. 1555 will, I am convinced, be a strong and effective weapon in curbing corruption and promoting union democracy internally. Let me list some of the criminal penalties which the bill would impose:

First. In connection with the reporting requirements applicable to unions, union officers and employees, employers and their middlemen, the bill makes it a crime to fail to make reports or file false reports or make false entries in or destroy books and records on which such reports are based.

Second. The bill prohibits persons who have been convicted of certain crimes from holding union office or employment within 5 years of having served any part of a prison term as a result of such conviction.

Third. The bill prohibits unions from paying the legal fees or fines of any person indicted or convicted of a violation of the bill.

Fourth. The bill prohibits so-called "shakedown" picketing.

Fifth. The bill bans the demand and acceptance by unions or union representatives of payments from interstate truckers of improper loading or unloading fees.

Sixth. The bill makes the embezzlement of union funds a Federal crime punishable by a fine up to \$10,000 or imprisonment of not more than 5 years, or both.

In addition, the bill allows members of a local union which has been placed in trusteeship to obtain court review of the propriety of continuing the trusteeship for a period of longer than 18 months. Union members may also petition the Secretary of Labor to set in motion procedures whereby the validity of a union election can be determined in appropriate court proceedings or a union officer guilty of serious misconduct can be removed from office.

These provisions, I submit, are strong, effective, and wholesome. Their enactment would represent a major attack upon the abuses brought to light by the recent investigations. It would establish the principle of democracy in unions, and set up standards of honesty and fair play. It would help put the Jimmy Hoffas in the labor movement out of business.

Before concluding, I should like to say a word about union leadership in Utah. I am proud of the type of men who are heading the labor union movement in my State. With few exceptions, they were born and bred in Utah, and are among our most substantial citizens. These men are well informed and vigorous leaders.

Mr. President, I support the committee in its request that the bill not be amended to an unrecognizable form which could not be enacted. We have here a broadly accepted, workable measure. There is every reason to believe it can be passed by both Houses. The measure is not perfect—no one contends that it is—but its enactment would be a

major advance in correcting abuses in the labor-management field.

We are all aware, I am sure, that the corruption and undemocratic practices which have been brought to light in the labor movement have long been recognized by those within, as well as those outside, the labor movement. The AFL-CIO has placed itself on record as firmly committed to the ouster of crooks and racketeers from the labor movement.

It is my hope that Senate bill 1555 will pass the Senate in substantially the same form in which it has been reported from the Committee on Labor and Public Welfare.

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

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

Mr. LONG. Mr. President, this Congress must enact legislation to prevent corruption and racketeering in the labor unions and on the part of those in management who aid and abet such practices. The abuses revealed by the McClellan committee have demonstrated conclusively that legislation in this field is long overdue. A failure to enact such legislation at this time would be a grave blow to our democratic process and to our Nation's economic well-being.

There are two distinct areas which govern the activities of labor unions and management in which Congress has both the power and the duty to act. The first of these areas is the subject of the great majority of the provisions of the bill we are now considering. It is the field of abuses in the internal affairs of unions and in certain management activities. These practices are simply the actions of corrupt labor leaders and corrupt businessmen.

The second area which Congress must regulate concerns labor-management relations covered under the Taft-Hartley Act.

If we are to be able to agree on the exact changes we should make in present law in these two areas, I feel very strongly that we must separate one of them from the other, and must attack them one at a time.

All of us are well aware of the years of frustration we have experienced in attempting to reform labor-management practices. In my 10 years of service in the Senate I have seen two major labor bills pass the Senate, only to die in the House; and I have seen President Eisenhower's recommendations for legislation in this field killed in the Senate by a motion to return the bill to committee.

Last year, the labor reform bill was actually supported by the better elements of the union movement; yet the bill failed to be enacted into law. The bill contained certain relatively minor changes in the Taft-Hartley law which were advocated by labor—modifications which had even been approved by the late Senator Taft. These amendments

drew objections from employer groups, who urged Congress to kill the whole bill, rather than accept the objectionable features. The bill died in the House, after it had passed the Senate by a vote of 88 to 1.

This experience was typical of congressional failures in the labor-reform field during the 10 years that I have been a Member of this body. In view of these frustrating failures in the past to legislate effectively, I am persuaded that we shall achieve more by making a step-by-step approach, rather than by attempting to write a bill to remedy all the evils at one time.

The issue is so complex, is subject to so many ramifications and technicalities, and is subject to so much emotional prejudice and to diametrically opposed opinions, that an effort to bite off too much at one time inevitably leads to complete frustration. If we are to enact any legislation at all in this field—and I repeat that it is imperative that we do enact legislation in this field—we must do so by taking one step at a time. We must do so carefully, after great deliberation, after an opportunity for all sides to present their viewpoints, and by making a constructive approach, keeping in mind at all times the ultimate welfare of our great country.

The distinguished junior Senator from Massachusetts [Mr. KENNEDY], as chairman of the Labor Subcommittee of the Senate Labor and Public Welfare Committee, has had a major share in the drafting of the proposed legislation now before us. He has stated that, as soon as is practicable, the Labor and Public Welfare Committee will report to the Senate proposed legislation which will correct defects in the Taft-Hartley Act. With this assurance, we can safely leave to a later date reconsideration of that proposed legislation.

As all of us know, a blue ribbon advisory panel, composed of eminent academicians, legal experts, and those with both management and union experience, is making a careful study, for the purpose of suggesting revisions to the Taft-Hartley Act. Before I would feel that I could vote with complete confidence on proposed amendments to this legislation, which for the past 12 years has been our basic law regulating labor-management relations, I would like to have a great deal of time to study the arguments, pro and con, in regard to each aspect of these matters. The floor of the U.S. Senate is not the proper place to draft such far-reaching legislation. We must have the benefit of careful study and long deliberation by the appropriate Senate committees.

For example, the question of secondary boycotts is a tremendously complicated one. Management groups, by and large, feel that the secondary boycott is, unequivocally, an evil. Unions, on the other hand, feel that without the secondary boycott, as a weapon to offset economic weapons possessed by management, they would be severely handicapped in their efforts to improve the lot of the workingman.

Fair and well-conducted committee hearings and a carefully studied committee report should clear up many of

our disagreements on this subject. I would very much dislike to have a vote taken on this matter without the benefit of the safeguards inherent in our deliberative legislative processes.

The question of legislation to curb corruption and racketeering in the labor-management field has been given exhaustive study by the Senate Labor and Public Welfare Committee. Over 2,300 pages of testimony comprise the public hearings on this subject. The committee has spent many hours in careful deliberation, in going over the bill line by line. Although there are still in my mind questions about certain provisions of the bill, and although I plan to follow very closely the arguments presented by my colleagues in regard to proposed amendments, I am convinced that this bill is a carefully drafted piece of proposed legislation. I am convinced that it would go a long way toward correcting the sorry record of gross violations of trust witnessed by the American people in following the McClellan committee hearings.

However, it cannot be said that the same exhaustive study has been given to the question of amending the Taft-Hartley Act; and I do not feel that Congress should legislate in this field before giving the same careful consideration to any proposed changes in this law.

I much prefer to approach the subject of labor legislation through the method of thorough and comprehensive committee study. Any other approach would not fulfill our obligation to the American people.

Furthermore, any other method of attack upon these difficult problems would inevitably fail, resulting only in wasted time. As we have had in previous Congresses, again we would have what amounts to much ado about nothing.

The bill now before the Senate, while it basically confines itself to correcting improper activities in labor and management practices, such as corruption, undemocratic procedures, conflicts of interests, and unethical practices, has one section devoted to amendments to the Taft-Hartley Act. While these amendments are largely technical in nature, and most of them are fairly non-controversial, it is my feeling that to be completely honest and to completely separate the field of improper activities from the field of the external relations between industry and labor, we must remove all Taft-Hartley amendments from this bill.

I intend to vote to strike out the Taft-Hartley amendments which are contained in title VI of this bill.

Evils arising from the internal operation of unions are entirely separate problems from those arising from union and management disagreements, and they require separate legislative consideration. The attempt to consider these separate fields in one piece of legislation would serve only to make the enactment of any legislation more difficult.

In the last Congress, the Senate passed by an almost unanimous vote a bill very similar to S. 1555. No one of the Senators now serving who was in the previous Congress voted against that

bill. If the Taft-Hartley amendments are stricken from the measure, it is a bill upon which we can readily agree.

I have been urged by extremists on both sides of this question to support legislation going far beyond anything that it is possible the Congress would approve. There are a minority of union leaders who do not want any reform legislation. There are businessmen who would like to have this bill crucify the labor union movement. Many of these persons say this bill does not go far enough. They would like to have the revelations of embezzlement, fraud, illegal elections, connivance, murder, arson, and other malpractices revealed by the McClellan committee, made the basis for legislation drafted to cripple labor unions.

I say, unequivocally, that I will not support such an extreme position.

I am prepared to vote to outlaw corruption in labor and management, but I am not willing to vote for ill-considered proposals to crucify labor under the guise of reform.

The middle road between the extremists on both sides is frequently the best road for us to travel. We should seek to curb corruption and racketeering. We should seek to give the rank-and-file union member a greater opportunity to participate in his union activities and to make his voice heard in union leadership councils. We should make it tougher for crooked union officials to steal from their members.

At the same time, let us remember that the great majority of labor leaders and union members are honest, hard-working American citizens. They are no better or no worse than the rest of us. They support the effort of the Congress to oust racketeers and gangsters from positions of power and responsibility in their organizations.

Senate bill 1555 with the proposed amendments to the Taft-Hartley Act stricken from the bill, is a measure the American people should be able to support wholeheartedly and in unison.

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

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

RECESS TO MONDAY

Mr. SPARKMAN. Mr. President, I move that the Senate stand in recess—

Mr. KUCHEL. Mr. President, will the Senator withhold the motion in order to permit me to ask a question?

Mr. SPARKMAN. I withhold the motion.

Mr. KUCHEL. I have just been informed that the Republican conference of Senators will be held Monday morning at 10 o'clock. Is there a possibility that the leadership might give consideration to convening at noon rather than earlier?

Mr. SPARKMAN. I was about to move that the Senate take a recess until 11 o'clock a.m., on Monday.

If the acting minority leader will withhold his question for a moment, we shall try to consult with the majority leader. It had been the plan to take a recess until 11 a.m. on Monday. It may be possible to change the time of meeting to 12 o'clock noon. We should like to check with the majority leader first.

Of course, the acting minority leader is fully familiar with the unanimous-consent agreement relating to Monday. If the time of meeting is postponed until 12 o'clock noon, that will probably mean that the Senate will be in session a little late that evening, because, as I recall, 6 hours of general debate are provided for under the unanimous-consent agreement, after morning business is concluded.

So if the Senate meets at 12 o'clock noon and morning business is concluded by 1 o'clock, 6 hours of debate will bring us up to 7 o'clock, at the very minimum, in the absence of quorum calls and other delays.

Mr. President, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate took a recess until Monday, April 20, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 17 (legislative day of April 15), 1959:

FEDERAL COMMUNICATIONS COMMISSION

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1959. (Reappointment.)

U.S. TARIFF COMMISSION

Joseph E. Talbot, of Connecticut, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1965. (Reappointment.)

SECURITY AND EXCHANGE COMMISSION

Earl Freeman Hastings, of Arizona, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1964. (Reappointment.)

FEDERAL HOME LOAN BANK BOARD

William J. Hallahan, of Maryland, to be a member of the Federal Home Loan Bank Board for a term of 4 years expiring June 30, 1963. (Reappointment.)

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior surgeon

O. David Garvin

To be assistant sanitary engineer

Norman J. Petersen

II. FOR PERMANENT PROMOTION

To be senior assistant dental surgeon

Thomas E. McClellan

To be pharmacist

Philbrook H. Knight

IN THE ARMY

Lt. Gen. Clarence S. Irvine, 296A (major general, Regular Air Force), U.S. Air Force,

to be placed on the retired list in the grade of lieutenant general under the provisions of section 8962, title 10 of the United States Code.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general

Brig. Gen. John Frank Ruggles, O18596, Army of the United States (colonel, U.S. Army).

Brig. Gen. Philip Henry Draper, Jr., O17543, U.S. Army.

Brig. Gen. Teddy Hollis Sanford, O29893, Army of the United States (colonel, U.S. Army).

To be brigadier general

Col. Achilles Lacy Tynes, O18916, Medical Corps, U.S. Army.

Col. Allen Fraser Clark, Jr., O18669, U.S. Army.

Col. William Bing Kunzig, O18825, U.S. Army.

Col. Ashton Herbert Manhart, O18773, U.S. Army.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

John E. Stallings, Cuba, Ala., in place of Earline Jarman, Cuba, retired.

ARIZONA

Gertrude Schilleman, Camp Verde, Ariz., in place of P. R. Hollaman, resigned.

CALIFORNIA

Eugene E. Bullock, Inglewood, Calif., in place of T. E. Trulove, retired.

Max A. Swaney, Lucerne, Calif., in place of A. L. Quigley, retired.

Allen O. Peterson, Perris, Calif., in place of G. R. Saunders, transferred.

George G. Hollis, Jr., Sun Valley, Calif., in place of Fred Jacobsen, retired.

Alfred J. Iller, Jr., Warner Springs, Calif., in place of M. H. Moest, resigned.

Evelyn V. Roseberry, Winters, Calif., in place of C. A. Graf, retired.

COLORADO

Howard W. Cross, Grand Junction, Colo., in place of R. T. Ellington, retired.

CONNECTICUT

Herbert R. Trolle, Springdale, Conn., in place of J. H. Fahey, retired.

Peter A. Koops, Thomaston, Conn., in place of M. T. Doyle, retired.

FLORIDA

Harlow J. Schutt, Boynton Beach, Fla., in place of E. S. Pierce, retired.

J. D. Catrett, Eagle Lake, Fla., in place of R. M. Coburn, resigned.

Gordon J. Burris, Sebring, Fla., in place of R. N. Durrance, retired.

GEORGIA

Amie F. Gray, Union City, Ga., in place of E. S. Barrett, retired.

IDAHO

Charles W. Choules, Hagerman, Idaho, in place of A. I. Dennis, retired.

ILLINOIS

Wilbur J. Molck, Anchor, Ill., in place of J. W. Martens, retired.

Eloise M. Barton, Greenfield, Ill., in place of Harley Gustine, retired.

Joseph P. Kucinick, Livingston, Ill., in place of Mike Kopuster, resigned.

Leo M. Rettig, Milan, Ill., in place of M. R. Wilson, retired.

Forrest E. Laird, Milford, Ill., in place of R. F. Miller, resigned.

INDIANA

Arthur R. Wilkerson, Commiskey, Ind., in place of Fred Corbin, Jr., resigned.

Alexander L. Zivich, East Chicago, Ind., in place of F. S. Dubczak, deceased.
Lloyd Goodwin, Edwardsport, Ind., in place of M. F. Shepard, retired.
J. Clyde Garretson, Roanoke, Ind., in place of H. G. Shearer, deceased.

IOWA

R. Garth Mann, Dallas Center, Iowa, in place of L. E. Myers, resigned.
James C. Overholtzer, Grand River, Iowa, in place of A. A. Daughton, retired.
E. Glenn Kennedy, Lewis, Iowa, in place of H. W. Cohrs, resigned.
Delmar Armstrong, Pomeroy, Iowa, in place of C. E. Hudson, retired.

KANSAS

Lynn C. Hill, Goddard, Kans., in place of M. E. Carpenter, retired.
Alvin E. Scranton, Hill City, Kans., in place of Marie Mildreter, resigned.
Robert L. Roberts, Kansas City, Kans., in place of J. F. Coyle, deceased.
John W. Walker, Udall, Kans., in place of W. H. Lawrence, transferred.

KENTUCKY

William Clyde Sanders, Burnside, Ky., in place of V. L. Stigall, removed.
Perry M. Day, California, Ky., in place of C. F. Nordwick, retired.
Elizabeth G. Keeling, Willisburg, Ky., in place of C. R. Ash, transferred.

MASSACHUSETTS

Glyndywr Oldfield, Avon, Mass., in place of F. H. Nolan, retired.
Raymond W. Wilson, Charlemont, Mass., in place of W. E. Hallahan, retired.
Daniel F. McAuliffe, Holden, Mass., in place of J. C. Kelleher, retired.
Edward R. O'Hara, West Peabody, Mass., in place of R. M. Durkee, retired.

MICHIGAN

Kenneth S. King, Cassopolis, Mich., in place of O. J. Breece, retired.
Oscar A. Ohman, Gladstone, Mich., in place of B. R. Micks, retired.
Evelyn A. Greenwood, Crosswell, Mich., in place of A. V. Morgan, transferred.
Carl T. Redding, North Adams, Mich., in place of B. F. Taylor, retired.
Ernest L. Hofacker, Otsego, Mich., in place of E. H. Snow, retired.
Albert W. Balfour, St. Clair, Mich., in place of J. C. Chamberlin, retired.

MINNESOTA

W. Stanley Sevaldson, Albert Lea, Minn., in place of H. C. Day, retired.
Henry J. Maertens, Wabasso, Minn., in place of T. C. Franta, resigned.

MISSISSIPPI

Tommy V. Dillard, Stonewall, Miss., in place of A. F. Zachry, retired.

MISSOURI

Joseph E. McDowell, Herculaneum, Mo., in place of R. G. Simpson, resigned.

Victor R. Munzlinger, Monticello, Mo., in place of R. L. West, retired.
James F. Barham, Portageville, Mo., in place of E. S. Workman, resigned.
Isaac McKay, Steele, Mo., in place of J. O. Weaver, resigned.

MONTANA

Helen C. Heringer, Lambert, Mont., in place of A. H. Klempel, resigned.

NEBRASKA

Harlan F. Zimmerman, Nelson, Nebr., in place of O. C. Myers, retired.

NEW JERSEY

Edna J. Grisso, Cedar Brook, N.J., in place of M. E. O'Rourke, retired.
John J. Gearhart, Convent Station, N.J., in place of M. M. McKenna, removed.
Mary L. Wuest, Mount Royal, N.J., in place of S. J. Billig, deceased.
Helen E. Carty, New Gretna, N.J., in place of N. P. Maurer, resigned.
Jesse W. Landon, White House Station, N.J., in place of W. W. Lance, retired.

NEW YORK

Alfred F. Cook, Baldwin, N.Y., in place of J. V. Mahony, retired.
Jesse T. Van Doren, Chaumont, N.Y., in place of H. G. Shepard, retired.
John A. Dilg, Jr., Hewlett, N.Y., in place of A. C. Longworth, retired.
George J. Schneider, Jr., Mill Neck, N.Y., in place of F. J. Donnelly, retired.
Francis P. Secor, Otego, N.Y., in place of R. A. Southard, declined.
Angeline M. Rose, Roosevelt, N.Y., in place of O. L. Healy, deceased.
Alda M. Decker, Tahawus, N.Y., in place of D. O. Miller, resigned.

NORTH CAROLINA

William R. Burleson, Marion, N.C., in place of J. A. Finley, deceased.
Charles M. Taylor, Winnabow, N.C., in place of J. J. Henry, resigned.

OHIO

Richard E. Hasenflue, Birmingham, Ohio, in place of L. A. Andrews, retired.
Raymond V. Korby, Burton, Ohio, in place of E. H. Lillibridge, retired.
Walter A. Luse, Loudonville, Ohio, in place of J. F. Church, deceased.
George E. Pfeil, Mount Sterling, Ohio, in place of J. L. Bricker, transferred.
Ralph C. Hershberger, Shanesville, Ohio, in place of E. C. Shie, retired.
Elsie L. Bitner, Vandalia, Ohio, in place of R. W. Beverley, deceased.

OKLAHOMA

Ida M. Doyle, Redrock, Okla., in place of J. B. Searle, retired.

OREGON

Juanita L. Hagen, Government Camp, Oreg., in place of O. T. Brunner, resigned.

PENNSYLVANIA

Gerald C. Stough, Grapeville, Pa., in place of H. W. Stough, retired.
Steve Olen, Lyndora, Pa., in place of M. S. Karlitsky, removed.
Ernest H. Wiltrout, Maxatawny, Pa., in place of W. H. Fegely, retired.
Steward H. Hartman, Mechanicsburg, Pa., in place of G. C. Dietz, transferred.
Jack Thomas Beck, Jr., Monessen, Pa., in place of E. F. Januszewski, deceased.
Robert W. Stahl, Mount Pleasant, Pa., in place of Clark Queer, resigned.
Lester I. Helst, Robesonia, Pa., in place of B. M. Kintzer, retired.
Matthew Spiranac, Smock, Pa., in place of Bessie Havlichek, retired.

RHODE ISLAND

Raymond A. Piccolo, Bradford, R.I., in place of T. F. Eldridge, deceased.

SOUTH CAROLINA

Marguerite B. Carr, Meggett, S.C., in place of L. B. O'Conner, retired.
Hugh Morgan, Jr., Yemassee, S.C., in place of J. L. Sheppard, removed.

SOUTH DAKOTA

Ray H. Woods, Colome, S. Dak., in place of J. R. Knapp, retired.
Bertel W. Bertelson, Marvin, S. Dak., in place of M. P. Dunlop, removed.
John K. Farnen, Veblen, S. Dak., in place of A. A. Twite, transferred.

TENNESSEE

Howard F. Newell, Harrison, Tenn., in place of L. G. Wilson, resigned.

TEXAS

Harold S. Roberts, Andrews, Tex., in place of M. M. Burkett, retired.
Esma A. Kingston, Fluvanna, Tex., in place of J. M. Sims, resigned.
Clyde T. Hull, Milford, Tex., in place of L. A. Wright, retired.
Cecil A. McFarlin, Valley View, Tex., in place of O. L. Lowry, retired.

UTAH

Lorenzo Hawkins, Blanding, Utah, in place of D. J. Black, resigned.

VERMONT

Wilson L. Grant, Chelsea, Vt., in place of A. H. Bailey, deceased.

VIRGINIA

A. Lee Williams, Clover, Va., in place of W. E. Crews, transferred.
Evelyn H. Morgan, Green Bay, Va., in place of R. H. Morgan, deceased.

WASHINGTON

Kenneth G. Draper, Palouse, Wash., in place of W. A. Young, removed.

WEST VIRGINIA

Frances D. Rowe, Wolf Summit, W. Va., in place of J. L. Gerrard, resigned.

EXTENSIONS OF REMARKS

Address by Hon. Estes Kefauver, of Tennessee, Before the National Independent Dairy Association

EXTENSION OF REMARKS
OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, April 17, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in

the CONGRESSIONAL RECORD a speech which I delivered last Tuesday before the National Independent Dairy Association, at its meeting in Washington, D.C.

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

ADDRESS OF SENATOR ESTES KEFAUVER, DEMOCRAT, OF TENNESSEE, BEFORE NATIONAL INDEPENDENT DAIRY ASSOCIATION, WASHINGTON, D.C., APRIL 14, 1959

In asking me to come here today and talk to you, Mr. Daniel, your executive secretary and general counsel, told me that the meeting would mark the second birthday of the

National Independent Dairy Association. I eagerly accepted because, as I told him, I had always liked lusty and growing youngsters and that I had also always liked birthday parties.

Mr. Daniel is an old friend of mine. He is a native Tennessean, an excellent lawyer, and well qualified by education and experience to serve you. He is a real fighter, and small businessmen need real fighters.

I want to congratulate all of you on the magnificent progress you have made in such a short time. It speaks volumes for the management of independent dairies, for their objectives, and for their leaders. In the true spirit of the occasion, I most sincerely wish for you many happy returns of the day.