

Those Who Invoke the Fifth Amendment Should Not Be Permitted To Serve the Government

EXTENSION OF REMARKS OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1954

Mr. KEATING. Mr. Speaker, today I am introducing a bill which would make a plea of the fifth amendment, by any Federal employee or former employee, ground for dismissing him and barring him from any further Federal service if the employment is current, and for terminating any pensions or other benefits, if he is no longer so employed. Enactment of such a bill has been requested by the national executive committee of the American Legion. This measure is modeled after the New York law on this subject.

I understand that, as a matter of practice, anyone who hides behind the fifth amendment while he is in the Government service loses his job. But this should be written into law. This proposal is an important part of the whole pattern of laws which we have been developing to deal better with Communists, subversives, and other undesirables in the Federal Government. I realize it is too late to expect action at this session but hope the proposal may receive early attention in the next Congress.

Any Government official or employee who is hired to serve the American public and who then refuses to answer questions before a court or congressional committee about the conduct of his office, the performance of his duties, or his own qualifications for his post, ought to be discharged forthwith and should certainly be disqualified from holding any other office thereafter. And anyone who is receiving pensions and

benefits for prior service in the Government ought to have them taken away if he refuses, on the same grounds, to discuss his conduct or responsibilities while he was so employed.

We have had a law which provides substantially this in my own State of New York for many years. Enactment of a similar Federal law would loosen the tongues of some reluctant witnesses and would smoke out of their hiding places others who ought not to be in Government jobs.

The purpose of the bill is not in any sense to compel public officials to incriminate themselves by their own testimony, but only to drive dishonest and unfaithful persons out of the public service. Anyone can still plead his fifth amendment privilege, if he wishes. But nobody can make that plea about his fitness to hold office and then go right on in the office he was being queried about. He cannot say to the public, whom he is supposed to be serving, "If I told you the truth about myself and the way I am doing this job on the public payroll, I would disclose a crime—but that is no reason for turning me out of my job." Under these circumstances, the plea always amounts to an admission that he has something to hide about the way he has done his job, and that is certainly enough to warrant applying the forfeitures this bill provides.

The bill is carefully drawn, with respect to the forfeiture of benefits, so that it would not entail loss of any funds which an employee has actually paid in under the Civil Service Retirement Act. These funds actually belong to the employee and should not be forfeited by him, any more than by any other person who has such credits and leaves the Government service without claiming or being entitled to an annuity.

I believe this measure will be very effective in separating sheep from goats in the important work of weeding out disloyal, unfit, and defaulting employees on the Government payroll. Honest persons will have an additional incentive

to speak up and clear themselves, while those who have things to conceal will be more quickly exposed and more surely dealt with.

I congratulate the American Legion on its sponsorship of this bill and am happy to join with this fine patriotic organization in this effort.

A copy of the measure is as follows:

A bill to prescribe penalties applicable to present and former officers and employees of the United States who refuse to testify concerning matters relating to their public office or employment

Be it enacted, etc., That (a) any officer or employee of the United States or any department or agency thereof who refuses to testify upon matters relating to his office or employment, or his qualifications therefor, in any proceeding wherein he is a defendant or is called as a witness, upon the ground that his answer may tend to incriminate him or compel him to be a witness against himself, or who refuses so to testify on such ground when called by a grand jury or a congressional committee, shall forfeit his office or employment and any emolument, perquisite, or benefit arising therefrom, and be disqualified from holding any office of honor, profit, or trust under the United States.

(b) Any former officer or employee of the United States or any department or agency thereof, who refuses to testify upon matters relating to his former office or employment, or his qualification therefor, in any proceeding wherein he is a defendant or is called as a witness, upon the ground that his answer may tend to incriminate him or compel him to be a witness against himself, or who refuses so to testify on such ground when called by a grand jury or a congressional committee, shall forfeit any emolument, perquisite, or benefit arising from such former office or employment, and be disqualified from holding any office of honor, profit, or trust under the United States.

(c) In the event of forfeiture of any annuity or retirement pay, the amount paid into an annuity or retirement fund, less any funds previously refunded or paid as annuity benefits, shall be returned to the payor or his legal representatives with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year.

SENATE

FRIDAY, JULY 2, 1954

The Senate met at 10 o'clock a. m.

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

O God, whose spirit searcheth all things and whose love seeketh us even through pain and loss, incline our hearts to draw near to Thee in sincerity and truth. In the living present Thou dost speak through the deeds and lips of those whose lives are moved with compassion at the want and woe of their fellows.

Again we come with heavy hearts as our Nation mourns the loss of a servant of Thine and of the Republic, who, across devoted years in this temple of democracy, with fidelity and understanding, served his fellow man in a tempestuous time. Such as he, lifted above the crowd in private living and public

thinking as they faithfully serve their day and generation and then fall on sleep, speak to us in their life and in their death, reminding us that honesty, kindness, and selfless toil are the steps to true distinction.

We are mindful on this day of our mourning for the loss of a loved colleague that not only in the halls of legislation did he serve, but that in business relationships he practiced his religion; that he freely gave his time and energy to great organizations which strive to bind men together in enduring brotherhood; that he dedicated his counsel to educational and church leadership, and extended the hand of active assistance to those who with Christlike compassion lift up the underprivileged and the fallen. Leaving an enduring record of public devotion and the benediction of a noble character, now that for him the busy world is hushed, vouchsafe to him, O Lord, light and peace and joy in the life everlasting. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 1, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolutions:

On June 28, 1954:

S. 171. An act for the relief of Mrs. Irma Benjamin;

S. 234. An act for the relief of Thomas Szabo;

S. 235. An act for the relief of Rev. Armando Fuoco;

S. 347. An act for the relief of George Taipale;

S. 366. An act for the relief of Sister Con-
cepta (Ida Riegel);

S. 428. An act for the relief of Dr. Chih
Chiang Teng;

S. 518. An act for the relief of Sister Marie
Therese De Galzain;

S. 614. An act for the relief of Eero and
Tina and Karina Waskinen;

S. 629. An act for the relief of Igor Mi-
chael Bogolepov (alias Ivar Nyman) and
Margaret Johanna Bogolepov (alias Margaret
Johanna Nyman);

S. 740. An act for the relief of Santa
Muciaccia (Sister Maria Fridiana), Teresa
Saragaglia (Sister Maria Eutropia), and Ca-
terina Isonni (Sister Maria Giovita);

S. 757. An act for the relief of Frank Bas-
tinelle;

S. 809. An act for the relief of Vittoria
Speriti;

S. 860. An act for the relief of Juanita
Andrada Lach and Leticia Androda Lach;

S. 924. An act for the relief of Sofia B.
Panagouloupoulos Kanell;

S. 929. An act for the relief of Cleopatra
Stavros Milonitis;

S. 930. An act for the relief of Martin An-
thony Beekman;

S. 1112. An act for the relief of Letizia
Maria Genoveffa Lo Bianco;

S. 1128. An act for the relief of Fermo
Breda;

S. 1155. An act for the relief of Giuseppe
Bentivegna;

S. 1156. An act for the relief of Dr. Jagan-
nath P. Chawla;

S. 1290. An act for the relief of Ruth
Sonlin;

S. 1301. An act authorizing the Secretary
of the Interior to issue a patent in fee to
Lucy Yarlott Othermedicene;

S. 1395. An act for the relief of Manasseh
Moses Manoukian, Elize Manoukian, nee
Kardzair, and Socrat Manoukian, also known
as Socrates Manoukian;

S. 1478. An act for the relief of Chung
Keun Lee (Thung Kuen Lee);

S. 1594. An act for the relief of Berenice
Catherine Montgomery;

S. 1682. An act for the relief of Branimir
V. Popovitch and Mila B. Popovitch;

S. 1696. An act for the relief of Dr. Mourad
Arnoux;

S. 1955. An act for the relief of Giorgio
Salvini Thompson;

S. 2360. An act for the relief of Jacob
Vandenbergh;

S. 2438. An act for the relief of Maria
Teresa Rossi;

S. 2450. An act for the relief of Lt. Hayden
R. Ford; and

S. 2596. An act for the relief of Lucy Mao
Mei-Yee Li.

On June 29, 1954:

S. 129. An act to amend the act of August
30, 1935 (49 Stat. 1049), authorizing the
Chippewa Indians of Wisconsin to submit
claims to the Court of Claims;

S. 2742. An act to amend the act of August
21, 1951, relating to certain payments out
of Ute Indian tribal funds;

S. 2777. An act to provide transportation
on Canadian vessels between Skagway,
Alaska, and other points in Alaska, between
Haines, Alaska, and other points in Alaska
and between Hyder, Alaska, and other points
in Alaska or the continental United States,
either directly or via a foreign port, or for
any part of the transportation;

S. 2844. An act to amend the act of Decem-
ber 23, 1944, authorizing certain transactions
by disbursing officers of the United States,
and for other purposes;

S. 3103. An act to amend the act of Janu-
ary 12, 1951, as amended, to continue in effect
the provisions of title II of the First War
Powers Act, 1941;

S. 3364. An act to amend the act of October
31, 1949 (63 Stat. 1049); and

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S. J. Res. 167. Joint resolution to amend
the National Housing Act, as amended, and
for other purposes.

June 30, 1954:

S. 1665. An act to amend the Federal
Credit Union Act;

S. 2845. An act to amend section 3528 of
the Revised Statutes, as amended, relating
to the purchase of metal for minor coins of
the United States;

S. 3318. An act to provide for a continu-
ance of civil government for the Trust Terri-
tory of the Pacific Islands;

S. 932. An act to equalize the treatment
accorded to commissioned officers of the
Veterinary Corps with that accorded to com-
missioned officers of other corps of the Army
Medical Service, and for other purposes;

S. 2212. An act for the relief of Alma S.
Wittlin-Frischauer; and

S. 3481. An act to amend sections 23A and
24A of the Federal Reserve Act, as amended.

On July 1, 1954:

S. 2802. An act to further encourage the
distribution of fishery products, and for
other purposes; and

S. J. Res. 72. Joint resolution to authorize
the Secretary of Commerce to further ex-
tend certain charters of vessels to citizens
of the Philippines, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Repre-
sentatives, by Mr. Bartlett, one of its
clerks, announced that the House had
agreed to a concurrent resolution (H.
Con. Res. 249) expressing the sympathy
of Congress to the people of Texas and
Mexico who have been stricken by the
Rio Grande flood, in which it requested
the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the
Speaker had affixed his signature to the
enrolled joint resolution (H. J. Res. 553)
to amend the act of June 30, 1954
(Private Law 495, 83d Cong.), and it was
signed by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MARTIN, and by
unanimous consent, the Subcommittee
on the Judiciary of the Committee on the
District of Columbia was authorized to
meet during the session of the Senate
today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President,
even though the Senate is meeting after
an adjournment rather than after a
recess, I ask unanimous consent that
after a short executive session, and im-
mediately following a quorum call, there
may be the customary morning hour for
the transaction of routine business, un-
der the usual 2-minute limitation on
speeches, before the Senate proceeds to
further consideration of the tax bill,
H. R. 8300, under the unanimous-consent
agreement.

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

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I
move that the Senate proceed to the con-
sideration of executive business for ac-
tion on new reports, down to the nomi-
nations of postmasters, but I ask that at
this time the Senate not consider the
nominations of postmasters.

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid be-
fore the Senate messages from the Presi-
dent 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.)

The PRESIDENT pro tempore. If
there be no reports of committees, the
clerk will state the nominations on the
Executive Calendar, under the heading
new reports.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination
of Sheldon T. Mills, of Oregon, to be
Ambassador Extraordinary and Pleni-
potentiary to the Republic of Ecuador.

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

The Chief Clerk read the nomination
of Waldemar J. Gallman, of New York,
to be Ambassador Extraordinary and
Plenipotentiary to Iraq.

The PRESIDENT pro tempore. With-
out objection, the nomination is con-
firmed.

TREASURY DEPARTMENT

The Chief Clerk read the nomination
of William H. Brett, of Ohio, to be Di-
rector of the Mint.

The PRESIDENT pro tempore. With-
out objection, the nomination is con-
firmed.

ST. LAWRENCE SEAWAY DEVELOP- MENT CORPORATION

The Chief Clerk read the nomination
of Lewis G. Castle, of Minnesota, to be
Administrator of the St. Lawrence Sea-
way Development Corporation.

The PRESIDENT pro tempore. With-
out objection, the nomination is con-
firmed.

INTERSTATE COMMERCE COMMIS- SION

The Chief Clerk read the nomination
of John H. Winchell, of Colorado, to be
Interstate Commerce Commissioner.

The PRESIDENT pro tempore. With-
out objection, the nomination is con-
firmed.

FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination
of Robert Thompson Secrest, of Ohio,
to be Federal Trade Commissioner.

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

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the President will be immediately notified.

LEGISLATIVE SESSION

Mr. KNOWLAND. I move that the Senate resume the consideration of legislative business.

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

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

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

The Chief Clerk proceeded to call the roll.

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

CHARTER OF FEDERAL FACILITIES CORPORATION

A letter from the Secretary of the Treasury, transmitting, for the information of the Senate, a copy of the charter of the Federal Facilities Corporation, created under the authority of Executive Order No. 10539, and section 10 of the Rubber Act of 1948 (with an accompanying paper); to the Committee on Banking and Currency.

AUDIT REPORT ON BUREAU OF ENGRAVING AND PRINTING, TREASURY DEPARTMENT

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Engraving and Printing, Treasury Department, for the fiscal year ended June 30, 1953 (with an accompanying report); to the Committee on Government Operations.

REPORT ON CAUSES AND CHARACTERISTICS OF THUNDERSTORMS AND OTHER ATMOSPHERIC DISTURBANCES

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on causes and characteristics of thunderstorms and other atmospheric disturbances, prepared by the Chief of the Weather Bureau, for the fiscal year 1954 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

LAWS ENACTED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal

Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED RENEWAL OF CONCESSION PERMIT, OLYMPIC NATIONAL PARK, WASH.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed renewal of a concession permit for the operation of certain facilities within Olympic National Park, Wash. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED AWARDS OF CONCESSION PERMITS

Three letters from the Assistant Secretary of the Interior, transmitting, pursuant to law, proposed awards for concession permits in Great Smoky Mountains National Park, Tenn., Mount Rainier National Park, Wash., and Grand Teton National Park, Wyo. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS

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

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana, relating to the price of sugar; to the Committee on Agriculture and Forestry.

(See concurrent resolution printed in full when presented by Mr. LONG, on July 1, 1954, p. 9420, CONGRESSIONAL RECORD.)

A letter in the nature of a petition from Local Union 2898, United Steelworkers of America, Philadelphia, Pa., signed by Vincent J. Mancusco, president, and Walt Pellish, recording secretary, transmitting a copy of a concurrent resolution adopted by the Legislature of the State of Pennsylvania, relating to the establishment of safeguards to prevent the lowering of the American standard of living, the labor standard of workmen, and the stability of our economy by unfair import competition; to the Committee on Finance.

PROPOSED HEALTH INSURANCE PROGRAMS—TELEGRAM

Mr. CLEMENTS. Mr. President, on yesterday, I received a telegram, from Dr. Branham B. Baughman, a distinguished physician and surgeon of Frankfort, Ky., and chairman of the legislative committee of the Kentucky State Medical Association, reporting that the "overwhelming majority of the 2,000 physicians of the Kentucky State Medical Association is unalterably opposed to S. 3114," the administration's proposal for a Federal reinsurance plan for private health insurance programs.

Dr. Baughman's report is well substantiated by the hundreds of letters I have received in my office from individual members of the medical profession in the Commonwealth of Kentucky.

The telegram from Dr. Baughman also reports that the Kentucky Physicians Mutual, which is Kentucky's Blue Shield health plan, is unanimously opposed to S. 3114.

The hearings on S. 3114 have been concluded and printed, and the bill has been reported by the Committee on Labor and Public Welfare. Thus, it is not possible to have this important message from the doctors of my State included in the printed hearings of the committee.

I ask unanimous consent, therefore, Mr. President, to have the telegram printed at this point in the RECORD, and referred to the Committee on Labor and Public Welfare, so that the members of that committee may be advised of its contents and it may become a part of the committee's files in connection with the bill to which I have referred.

There being no objection, the telegram was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

FRANKFORT, KY., July 1, 1954.

Senator EARLE C. CLEMENTS,

United States Senate:

The overwhelming majority of the 2,000 physicians of the Kentucky State Medical Association is unalterably opposed to the reinsurance bill No. 3114 now before the Senate Labor and Public Welfare Committee. We are opposed to this bill first because it would not add one additional individual to the 90 million presently covered by voluntary health and accident insurance plans. Secondly, because it would constitute an unwarranted intervention by Government into private industry where there is no need for same. Thirdly, it is opposed by the insurance industry and other industries such as the Kentucky Association of Small Industries for the above reason and also that it would permit Government control of private industry, and, fourthly, because it would place the control of voluntary health and accident insurance in the Department of Health, Education, and Welfare which we do not consider desirable. The Kentucky Physicians Mutual, which is Kentucky's Blue Shield plan, of which I am a director, former president, and present treasurer, is also unanimously opposed to this bill. We will appreciate your influence and anything you can do in opposition to this bill.

BRANHAM B. BAUGHMAN, M. D.,
Chairman, Legislative Committee,
Kentucky State Medical Association.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. GOLDWATER (by request):

S. 3700. A bill to amend title IV of the Veterans' Readjustment Assistance Act; to the Committee on Labor and Public Welfare. (See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. KILGORE (for himself and Mr. KEFAUVER):

S. 3701. A bill to increase the rates of basic pay and certain allowances prescribed by the Career Compensation Act of 1949 for members of the uniformed services; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 3702. A bill relating to the furnishing of accommodations at Kennewick, Wash., and Pasco, Wash., for the United States District Court for the Eastern District of Washington, Southern Division; to the Committee on the Judiciary.

By Mr. CASE (by request):

S. 3703. A bill to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended; to the Committee on the District of Columbia.

By Mr. FREAR:

S. 3704. A bill to amend section 812 (d) of the Internal Revenue Code with respect to

the deduction of inheritance, succession, or other death taxes imposed by law other than Federal; to the Committee on Finance.

By Mr. KEFAUVER:

S. J. Res. 172. Joint resolution to prohibit AEC from contracting for power service not to be used directly by AEC installations; to the Joint Committee on Atomic Energy.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF TITLE IV OF THE VETERANS' READJUSTMENT ASSISTANCE ACT

Mr. GOLDWATER. Mr. President, at the request of the Secretary of Labor, I introduce for appropriate reference a bill to amend title IV of the Veterans' Readjustment Assistance Act. I ask unanimous consent that a letter from the Secretary of Labor, relating to the bill, be printed in the RECORD.

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

The bill (S. 3700) to amend title IV of the Veterans' Readjustment Assistance Act, introduced by Mr. GOLDWATER, by request, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letter referred to is as follows:

UNITED STATES DEPARTMENT OF LABOR,
Washington, June 30, 1954.

The Honorable BARRY GOLDWATER,
Chairman, Subcommittee on Veterans' Affairs, Committee on Labor and Public Welfare, United States Senate,
Washington, D. C.

DEAR SENATOR GOLDWATER: I am enclosing a draft bill prepared by the Department of Labor to amend title IV of the Veterans' Readjustment Assistance Act of 1952. I will greatly appreciate it if you would find it possible to have this bill introduced at the earliest possible opportunity.

This draft bill places a limit on the time within which a veteran may file for unemployment-compensation benefits under title IV of the Veterans' Readjustment Assistance Act of 1952. This act permits veterans to secure such benefits upon discharge from service since they would not otherwise be eligible under State law. Although the act contains a termination date for the whole program, it does not put any limit upon the time within which a veteran can file for benefits so long as the program is in operation. The draft bill provides that a veteran must file within 3 years of discharge or of the effective date of the amendment, whichever is later. It inserts this provision in section 409 of the act, which contains the final cutoff date.

If no time limitation is placed on the period during which a veteran can file for unemployment-compensation benefits under title IV, the cost of this program will continue to mount. For the indefinite future, veterans who have qualified for benefits under State unemployment compensation laws will be able to secure supplemental benefits under title IV, if the State benefits are smaller either in duration or amount, until the veteran has received a total of \$676 under title IV. In addition, records will have to be kept on each veteran until he has drawn the maximum amount, which may be many years hence.

I believe that the 3-year period is sufficiently long to enable the veteran to make the readjustment from military to civilian pursuits. It is also sufficiently long so that there is no necessity for the veteran to file immediately upon discharge. This gives him

an opportunity to accumulate wage credits under the State program, thus placing less demand on the special program provided by title IV of the Veterans' Readjustment Assistance Act of 1952. The Servicemen's Readjustment Act of 1944, which provided unemployment compensation for World War II veterans, also contained a time limitation. The limitation in that act was 1 year less than under the present proposal.

The Bureau of the Budget has advised us that this draft bill has the approval of the Veterans' Administration and is in accord with the program of the President.

Yours very truly,

JAMES MITCHELL,
Secretary of Labor.

CONTRACTS FOR CERTAIN POWER SERVICE BY ATOMIC ENERGY COMMISSION

Mr. KEFAUVER. Mr. President, I introduce a joint resolution and ask for its appropriate reference. The joint resolution would prohibit the Atomic Energy Commission from contracting for power service not to be used directly by AEC installations.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 172) to prohibit AEC from contracting for power service not to be used directly by AEC installations, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Joint Committee on Atomic Energy.

Mr. KEFAUVER. I ask unanimous consent that I may speak for not to exceed 5 minutes.

The PRESIDENT pro tempore. Without objection, the Senator from Tennessee may proceed.

Mr. KEFAUVER. I intended to introduce the resolution last night, but the Senate adjourned out of respect to the memory of the late Senator BUTLER of Nebraska, and I did not have an opportunity to introduce it.

Mr. President, on June 16, the Bureau of the Budget directed the Atomic Energy Commission to enter into a contract with a private utility syndicate for the supply of approximately 600,000 kilowatts to the AEC works at Paducah, Ky.

On the basis of proposals made by the syndicate, the contract promises to be one of the most extraordinary ever entered into by an agency of Government.

Very briefly, I should like to review the major points of the proposed contract.

First, the syndicate, headed by two private utility executives named Dixon and Yates, would build a steam plant in the State of Arkansas, capable of generating about 600,000 kilowatts of power. The AEC would be obligated to pay \$1,800,000 annually in State and county taxes to Arkansas.

Second, the Dixon-Yates output would be transferred to the facilities of the Tennessee Valley Authority at or near Memphis, Tenn.

Third, the Tennessee Valley Authority would supply the Paducah works of the AEC with the required 600,000 kilowatts from TVA facilities in the Paducah area.

And fourth, the total additional cost to the Government will be between \$90 mil-

lion and \$140 million more, over the 25-year term of the contract, than if the power were supplied by the Tennessee Valley Authority.

Of course, there are other features, but these are the salient ones.

Mr. President, this is a problem that transcends the public against private power controversy. And the nub of it is this:

The Dixon-Yates contract is bad business.

If the Bureau of the Budget tries from now until doomsday, it cannot make anything else out of it. It cannot be made to look like a bargain, no matter how they disguise it, and no matter how strongly it was recommended by Admiral Strauss.

It is bad business, it is bad government, and it is bad morals.

Today, the first day of a new fiscal year, I want to attack the Dixon-Yates contract on only one ground: That it is bad, fiscally.

I agree heartily with a majority of members of the Atomic Energy Commission that AEC's principal business is the atom, and that they ought not to get into the power brokerage business.

Nothing in the Atomic Energy Act can justify such new adventures by the AEC as the Bureau of the Budget and Dixon-Yates now propose for it.

Let us look at this thing head on, Mr. President.

The Bureau of the Budget is telling AEC to go out and buy some power for the Tennessee Valley Authority to sell to the people of Memphis, Tenn.

It is telling AEC to become a power broker for people who live 200 miles away from the nearest AEC installation.

And it is telling AEC to be sure and do this in such a way as to cost the Government an extra \$100 million or more.

Mr. President, the people of this country are not blind to the real meaning of these contract shenanigans.

They understand perfectly well that this is an attack on the Tennessee Valley Authority itself, made in the worst tradition of the private power lobby. That is the lobby that spent more than a half-million dollars last year to influence legislation, and whose director boasted that he had gotten his money's worth.

There is a way for the Congress to stop this thing, Mr. President, and it will be to our everlasting detriment if we do not act to do so.

I have sent to the desk a joint resolution that would prevent the Atomic Energy Commission from entering into such an illegal contract as has been foisted upon it by the enemies of TVA.

It would limit the authority of the AEC to contract for electric power service only with persons who agree to supply the contractual amount of power service directly to AEC installations.

If we permit the Dixon-Yates contract to go through, this Congress had better prepare to shield itself from the wrath of right-thinking people who do not want any part of such a deal.

Mr. President, if the TVA is not to be permitted to construct its own steam plant, a much more economical and desirable proposal has been submitted by

a group of competent financiers and engineers headed by Walter von Tresckow, of New York, for which Mr. Lucius E. Burch, Jr., of Memphis, is attorney.

The Von Tresckow proposal envisions ownership of the steam plant by the TVA on the termination of the contract. This would avoid doing violence to the sound principles of allowing TVA to control its own power sources.

Lucius E. Burch, Jr., in a statement issued today pointed out these important differences in the two plans:

The Dixon-Yates plant will never become the property of the Government even after it has been paid for. The Von Tresckow plant will become the property of the Government without further cost at the end of the contract period.

The Dixon-Yates plant will be built at West Memphis upon alluvial soil requiring unusual expense for foundation work and levee protection. The Von Tresckow plant would be located on a bluff above historic flood crests where test borings have already shown suitability for foundation work.

The Dixon-Yates plant requires enormous expense in construction and maintenance of a cable system across the Mississippi River. The Von Tresckow plant, located on the Tennessee side, connects directly with the TVA system.

The Dixon-Yates plant will discharge upward of 80 tons of fly ash a day which will be deposited in and about the city of Memphis by the prevailing West wind. The Von Tresckow plant will be located in a remote section far away from any metropolitan center.

The site of the Dixon-Yates plant has no relationship whatever to the requirements of the TVA. The Von Tresckow plant is planned at the location established by the TVA as the center of its load growth area.

The Dixon-Yates proposal is a step toward the dismemberment of the TVA in that it will require the purchase by the TVA of power generated by facilities which it does not control. The Von Tresckow proposal favors the growth and expansion of the TVA because the plant would immediately be integrated into the TVA grid system with power furnished at cost.

The Dixon-Yates proposal, over the life of the contract, will cost more than \$125 million above the cost of TVA power. The Von Tresckow proposal provides for the furnishing of power at cost, the only compensation being received by the Von Tresckow group being a stipulated fee of \$4 million.

Mr. President, the Subcommittee on Antimonopoly of the Judiciary Committee began hearings today in connection with some very important aspects of this remarkable transaction. Lucius E. Burch, attorney, has publicly charged that real consideration is not even given to the Von Tresckow proposal even though it would protect the integrity of the TVA and save the taxpayers of the Nation \$125 million.

Mr. Burch further charges that the specifications were prepared by the AEC so that only one utility group would be in a position to bid and all other competitors would be denied that right.

I sincerely hope, Mr. President, that the Joint Committee on Atomic Energy and the Congress will approve the joint resolution I have just introduced.

This matter should not be handled hastily and in violation of sound governmental policies. More time is needed to consider it.

I hope that upon fuller consideration the administration and Congress will allow the TVA to have its own power supply or at least that it will enable a steam plant to be built in line with the Von Tresckow recommendation on a basis so that it would eventually be owned by the Government and the TVA.

Mr. President, I ask unanimous consent that the joint resolution be printed in the body of the RECORD following my remarks.

There being no objection, the joint resolution (S. J. Res. 172) was ordered to be printed in the RECORD, as follows:

Whereas the Atomic Energy Commission is of vital importance to the defense and progress of the United States of America; and

Whereas its several installations must necessarily have an adequate and constant supply of electric power in order to carry out its designated functions; and

Whereas the Atomic Energy Commission was directed, on June 16, 1954, by the Bureau of the Budget, to contract with a privately owned utility syndicate to supply electric power to the Tennessee Valley Authority system at or near Memphis, Tenn.; and

Whereas under terms of the Bureau of the Budget's directive, the Tennessee Valley Authority would continue to supply, from its own system, electric-power service to the Atomic Energy Commission's works at Paducah, Ky., approximately 200 miles distant from Memphis, Tenn.; and

Whereas the Tennessee Valley Authority is competent to supply, from its own facilities and at a substantial annual saving to the Government of the United States, an adequate and constant supply of electrical power to the Atomic Energy Commission's installations in the Tennessee Valley area; and

Whereas such a contract as the Atomic Energy Commission has been directed to enter into is of dubious legality and contrary to the recommendation of 3 of the 5 members of the Atomic Energy Commission: Therefore be it

Resolved, etc., That the authority of the Atomic Energy Commission to enter into contracts for electric-power service extends only to contracts with persons who agree to supply the contractual amount of electric-power service directly to the installations of the Atomic Energy Commission.

THE PRESIDENT pro tempore. Is there further morning business?

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

THE PRESIDENT pro tempore. The Senator from Arkansas will state it.

Mr. FULBRIGHT. Is the time at present under control?

THE PRESIDENT pro tempore. The Senate is in the morning hour, operating on a 2-minute limitation on speeches.

Mr. FULBRIGHT. Mr. President, with regard to the matter brought up by the Senator from Tennessee, this obviously is not the proper time in which to pursue the question to any extent. I merely wish to give notice that I disagree with the figures which have been presented, both here and in the press, with regard to the effect upon the Government and our financial situation. I think there are many differences of opinion, and I disagree with the conclusions reached by the Senator from Tennessee. I simply wish to give notice that at the proper time I shall try to present what I believe to be a more ac-

curate picture of the proposal which has been made by the President. Of course, I am in favor of the proposal. I hope that the Government will proceed with the powerplant to be built in eastern Arkansas by the private interests involved.

But since this is not the proper time—nor does the Senate now have the time—in which to discuss the question to any extent, I only hope that the Senator from Tennessee will reserve judgment in the matter until it has been discussed more fully.

NOTICE OF HEARINGS ON CERTAIN PROPOSED LEGISLATION BY SUBCOMMITTEE ON WATER TRANSPORTATION OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BUTLER. Mr. President, the Senate Water Transportation Subcommittee will hold hearings on Tuesday, July 6, 10:30 a. m., in room G-16 of the Capitol, on the following bills:

S. 2389, to extend certain benefits to Coast and Geodetic Survey officers serving in military hazard areas; and

S. 3620, proposed transfer of certain Coast Guard property to Panama Canal Company.

On Thursday afternoon, July 8, in room 134, Senate Office Building, the subcommittee will hold a hearing on S. 3610, to provide for the maintenance of the Merchant Marine Academy.

NOTICE OF HEARING ON NOMINATION OF EMMETT C. CHOATE TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 9, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Emmett C. Choate, of Florida, to be United States district judge for the southern district of Florida, to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from Wisconsin [Mr. WILEY], and the Senator from Missouri [Mr. HENNING].

NOTICE OF HEARING ON NOMINATION OF HERBERT S. BOREMAN TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 9, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Herbert S. Boreman, of West Virginia, to be United States district judge for the northern district of West Virginia, vice William Eli Baker, retired. At the indicated time and place all persons inter-

ested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from Idaho [Mr. WELKER], and the Senator from South Carolina [Mr. JOHNSTON].

NOTICE OF HEARING ON NOMINATION OF JAMES C. CONNELL TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 9, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of James C. Connell, of Ohio, to be United States district judge for the northern district of Ohio, to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Missouri [Mr. HENNING].

NOTICE OF HEARING ON NOMINATION OF WALTER E. HOFFMAN TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 9, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Walter E. Hoffman, of Virginia, to be United States district judge for the eastern district of Virginia, to fill a new position. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from South Carolina [Mr. JOHNSTON].

NOTICE OF HEARING ON NOMINATION OF WILLIAM A. O'BRIEN TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF PENNSYLVANIA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 9, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of William A. O'Brien, of Pennsylvania, to be United States marshal for the eastern district of Pennsylvania, vice Walter S. Farley, removed. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from South Carolina [Mr. JOHNSTON].

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

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

By Mr. MAGNUSON:

Statement prepared by him and attached newspaper article regarding construction of a new chemical and fertilizer plant near Attalla, Wash., on the Columbia River.

SENATOR HUGH BUTLER, OF NEBRASKA

Mr. KNOWLAND. Mr. President, last night the Senate adjourned upon receipt of the news of the death of our late colleague, Senator HUGH BUTLER, of Nebraska.

I am sure that every Member of the Senate feels a deep sense of personal loss. I have now served in this body for only approximately 9 years, but during that period of time, and also prior to my coming to the Senate, I have had the opportunity of knowing Senator HUGH BUTLER. Not only was he an outstanding citizen of his State and of the Nation but he was a man who had a deep consciousness of his civic responsibilities, and in his home community he participated in many civic affairs which make for a better America.

HUGH BUTLER was first elected to the Senate of the United States in 1940, after serving his party as a county chairman and as a national committeeman. Following his election to the Senate in 1940, he was reelected by overwhelming majorities in 1946 and in 1952.

Senator BUTLER was the ranking Republican member of the Senate Finance Committee. He was the chairman of the Committee on Interior and Insular Affairs. In the Republican conference he served as chairman of the Committee on Committees. He was very helpful to every new Member who came to the Senate. I believe that when Senator HUGH BUTLER's legislative record is studied it will be found that, while he did not make many formal speeches on the floor of this body, he was in every sense an effective legislator. He was diligent in attendance on the committees of which he was a member; and he recognized the importance, under our legislative system, of committee work. He served as an able and conscientious Member of this body almost to the hour of his death.

Mr. President, when one of our Members passes on it is most difficult to realize that he is gone; but I know that so long as any of us shall live, we shall have pleasant recollections of our association with a great citizen and a great United States Senator—HUGH BUTLER, of Nebraska.

Mr. President, at this time I should like to make a brief announcement. I have been in touch with the colleague of the late Senator BUTLER and also with members of his staff, who were in touch with his family. Definite plans for the funeral arrangements will be announced a little later; but in order that Senators may be advised of at least the tentative arrangements, let me say that I under-

stand there will be local services here in Washington tomorrow morning; that Senator BUTLER's body will then be sent home by train; and that funeral services in Nebraska are likely to be held on Monday next.

The Senators in the funeral party may go either by train or by plane. I understand that a plane will go to Nebraska, so that it will be possible for Senators to leave here on Monday morning and return on Monday night.

I do not wish this announcement to be taken as the announcement of the final arrangements; but inasmuch as a number of Senators have made inquiries, I thought that at least this tentative announcement might be made.

I also wish to say that after consultation with both the colleague of the late Senator and members of his staff, I have stated that at a time convenient to them and to the family, we shall set aside a day, with advance notice, for memorial services for the late Senator from Nebraska; and at that time appropriate addresses can be made.

Mr. JOHNSON of Texas. Mr. President, I wish to associate myself with the sentiments expressed by the distinguished majority leader, who, I am sure, voiced the sentiments of the entire Senate regarding our late colleague, the Senator from Nebraska, HUGH BUTLER.

Mr. President, the State of Nebraska has lost one of its finest statesmen. The Republican Party has lost one of its great pillars of strength. We in the Senate have said goodbye to one of the most kindly men who ever served here, one of the most constructive, one of the most understanding and sympathetic. The Nation has lost an outstanding leader.

At an appropriate time, I am sure a great many Members on this side of the aisle will wish to make statements in tribute to our late and beloved colleague, Senator HUGH BUTLER, of Nebraska.

Mr. CASE. Mr. President, while I appreciate the statement of the majority leader that at a later time a day will be designated for voicing tributes to the late Senator from Nebraska, our beloved colleague, HUGH BUTLER, I should not like this day to go by without taking a moment or two to say something about HUGH BUTLER, and what he has meant to my section of the country.

It was my privilege to meet HUGH BUTLER more than 20 years ago. I believe it was in the fall of 1932 that HUGH BUTLER, as district governor of Rotary International, came to my home town of Custer, in the Black Hills of South Dakota, and presented to a local group at Sylvan Lake their charter in Rotary International. The friendship which began more than 20 years ago has been one of my treasured friendships throughout the years. I came to know HUGH BUTLER then not primarily as a Member of the United States Senate, but as a man who enjoyed the confidence and trust of a great host of people in Nebraska and throughout that portion of the United States.

HUGH BUTLER was the son of a man of very modest means, so his life story is another chapter in the characteristic

pattern of America. He worked for a time on the railroad. I think he taught school for a while. Then he worked in a mill. Eventually he became the owner of a flour mill, and of other mills and elevators, and went into the grain business on a much larger scale. He made a very substantial fortune, but HUGH BUTLER was not a man to parade that fact, or to say much about it.

He had the misfortune to lose his two sons early in life. He and Mrs. Butler then decided that the money they had made should be used for the education of young people. It is my understanding that during the course of his life he gave away more than half a million dollars to establish scholarships and to construct buildings at colleges which attracted his attention in one section of the country or another. A great many of his bequests were to Doane College, at Crete, of which he himself was a graduate. Later he moved to Omaha, and in Omaha, the principal city of Nebraska, HUGH BUTLER soon established himself as a man of outstanding reputation and character.

He was asked to serve in connection with various community enterprises, such as the Community Chest, the Red Cross, the YMCA, and other movements associated with doing something for people. Though he himself was the last person who would say much about it, he derived his greatest pleasure in doing those things which contributed to the improvement of the lot of his fellow beings, and particularly those movements which were associated with the development of young people.

I recall the message he sent to me when I was first elected to Congress. I recall my greeting to him when he was elected to the Senate. Through the years there has been a friendship which held a deep personal meaning for me. It was built upon my respect for a man whom any young man would have been pleased to call friend, uncle, or father. He was that to all of us, because of the personal interest he took in the advancement and development of other people.

If we call the roll of Senators who have come to the United States Senate from Nebraska we call the roll of men of character. We have had the great misfortune, within the few years that I have been in the Senate, to see three of them go: Kenneth Wherry, Dwight Griswold, and Hugh Butler. Two of them left us within a very short space of time, even within the past few weeks. All of them were characterized by integrity and character and high ideals of public service.

High on the list anyone would have to place the name of HUGH BUTLER.

It is with a deep sense of personal loss, but with a great sense of pride that our country can produce men like HUGH BUTLER, that I say these few words today, feeling that not only have I lost a personal friend, but that the Nation has lost one of its great public servants.

Mr. KNOWLAND subsequently said: Mr. President, the distinguished Senator from Nebraska [Mrs. BOWRING] has a statement and an announcement that

she wishes to make to the Senate. She is leaving soon for Nebraska. I ask unanimous consent that she may be permitted to make the statement and announcement at this time, without having the time required for that purpose charged either to time on amendments to the tax bill or to the time for debate on the bill itself. I also ask that her statement and announcement and this colloquy be printed in the RECORD in connection with the previous remarks concerning the death of Senator HUGH BUTLER, of Nebraska.

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

Mrs. BOWRING. Mr. President, the death last night of the senior Senator from Nebraska, the beloved HUGH BUTLER, who was a friend not only to all the people of Nebraska, but to all who were his colleagues in the Senate, leaves us at the moment so distraught that I am glad arrangements have been made for a period of deserved eulogies at a later time.

Speaking for myself, I am sure that when the shock of this devastating loss is not so fresh upon us, I could more calmly and appropriately speak of the affection and esteem in which he was held by all who knew him.

But, Mr. President, at this time, I should simply like to make a short announcement concerning the plans which have been made for the funeral services for my colleague.

There will be brief funeral services for Senator BUTLER in Washington tomorrow, Saturday, July 3, at 11 o'clock in the morning, at Gawler's Funeral Home, 1756 Pennsylvania Avenue NW.

The funeral train which will take him home to Nebraska will depart from Washington on Saturday evening, at 5:30 o'clock, and will arrive in Omaha at 9 o'clock on Sunday night.

I am informed that an official congressional funeral party will follow by airplane, leaving Washington at 8 a. m. on Monday morning from the MATS terminal at Washington Airport, and arriving in Omaha, at Offutt Field, at 10:30 o'clock on Monday morning.

The funeral services for Senator BUTLER in Omaha have been set for Monday afternoon, at 2 o'clock on July 5.

It is my information that his body will be at the John Gentleman Mortuary, and that the services themselves will be at the First Central Congregational Church, at 36th and Harney Streets.

The burial will be in Omaha, where Senator BUTLER will rest beside his beloved wife, whom he lost early in 1941, and the two sons of the Butler family who were taken by death before reaching manhood.

I know that each Member of the Senate shares with me a deep sense of personal loss. I know further that it will be a comfort to the people of Nebraska, in this hour of grief, to know that their sense of loss is shared by the rest of the Nation, and that they are joined by all of us in paying homage to a great American—a man who has typified the very spirit of American opportunity and great success hammered out of meager beginnings.

Mr. KNOWLAND. Mr. President, for the information of Senators who were not present earlier today, let me state that previously I announced that at a later date and time satisfactory to the colleague of the late Senator BUTLER of Nebraska and to Senator BUTLER's family and staff, the Senate will hold memorial services for him.

Mr. BRIDGES. Mr. President, in due course I shall join my colleagues in a memorial service to pay my tributes to a great United States Senator who has just passed on, HUGH BUTLER. The distinguished majority leader has indicated that a time for memorial services will be set aside, at which time we may join in paying our tribute to HUGH BUTLER.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have printed in today's RECORD, immediately following the statements made this morning concerning the plans for the funeral services for the late Senator BUTLER of Nebraska, the following statement from Mr. Forest Harness, Sergeant at Arms of the Senate:

Inasmuch as Monday, July 5, is a legal holiday and the State of Nebraska will not permit burial on legal holidays, Senator BUTLER's funeral will be changed from Monday to Tuesday, July 6.

FOREST A. HARNES,
Sergeant at Arms.

Mr. President, the plane which had been scheduled to leave on Monday morning from the MATS terminal will leave, instead, on Tuesday morning, but at the same time, namely, 8 o'clock a. m., Washington time. As I understand the situation, the other part of the arrangements will be the same, insofar as the services to be held here in Washington, on tomorrow, are concerned.

I ask that this statement also be printed in the RECORD immediately following the remarks made this morning by the Senator from Nebraska [Mrs. BOWRING].

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

UNITED STATES FOREIGN POLICY

Mr. JOHNSON of Texas. Mr. President, at this time I ask unanimous consent to proceed for not to exceed 5 minutes, in making a statement not related to either the morning hour or the tax bill.

The PRESIDENT pro tempore. Without objection, the Senator from Texas may proceed.

Mr. JOHNSON of Texas. Mr. President, on yesterday the distinguished majority leader, the senior Senator from California [Mr. KNOWLAND], told us that he feels the time has come for the long awaited, agonizing reappraisal of our foreign policy.

I agree with the majority leader; I think the time has come when we have to stop and take a long, hard look at our foreign policy. I think we have to weigh in the balance the assumptions upon which we have been operating for the past few years.

Mr. President, no one welcomes the necessity for this reappraisal. It is not an easy thing for a Nation to make a

drastic change in direction or even to consider a drastic change in direction.

Mr. President, the preservation of our Nation's liberties must come before any other consideration. It is probable that this reappraisal should have started long ago.

We shall soon have before us a \$3½ billion foreign aid bill. It is no secret that many people have very serious reservations about this measure. They want to know the extent to which this aid will actually support the legitimate objectives of the United States, and the extent to which it will maintain policies which no longer have vitality.

Certainly before that measure finally clears the Senate there will be a definite insistence upon assurances that some of the nations to which aid will go will have to put their own houses in order.

In the past few weeks Americans have had many bitter pills to swallow. They have heard a top official of the Government of our closest ally state a doctrine which smacks strongly of the appeasement at Munich. They have seen what could be the beginning of the fall of all of southeast Asia, because another allied government did not take the necessary steps in time and in quantity. They have seen the beginning of a campaign to bring Communist China into the United Nations—a campaign sparked by people whom we considered, and still consider, our friends.

Mr. President, these factors have created a heavy strain upon our relationships with tried and true friends of many years standing. They have made millions of Americans worry as to what the future holds, and what course we should take to assure ourselves any future at all.

There are certain factors which must be taken into consideration.

First. The American people want no appeasement of the Communists.

Second. In my opinion the American people will refuse to support the United Nations if Communist China shoots its way into membership.

Third. The American people have become very uneasy over the intentions and objectives of our allies.

Mr. President, we must do some sober thinking about our future course. It will not be easy. We must decide whether to continue along the old lines or to start out in new directions. We must decide what we will defend, where we will defend, and how we will defend.

This is a problem which should be—and I hope will be—above all partisan considerations. Whatever the issues that may divide us, they should not include the field of preservation of this great Nation. They should not include the security of the United States.

Mr. President, I welcome the statement made by the distinguished majority leader yesterday. It was profound. It was forthright. It was typical of the man we have learned to know and understand and respect. I agree with him that the time has come for a basic reappraisal of our entire foreign policy.

Our foreign policy today is at the crossroads. I think—as I am sure he thinks—

that we should make the reappraisal not as partisans, but as Americans. It should be a reappraisal with one sole objective, namely, to preserve the safety and security of the people of the United States.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER (Mr. BUTLER in the chair). Without objection, the Senator may proceed.

Mr. KNOWLAND. Mr. President, I wish to express my appreciation to the distinguished minority leader, and also to commend him for the very statesmanlike—and I believe very sound—position he has taken. I assure him that the majority leader likewise feels that in meeting the grave problems in foreign and defense policies which confront our Nation, we must view them as Americans and not as partisans. I agree that we are now at the crossroads.

Mr. BRIDGES. At this time I wish to pay my tribute, not to the majority leader, about whom I spoke yesterday, but to the minority leader. It is an inspiring sight to see the leaders of the two great political parties in the Senate, the distinguished Senator from California [Mr. KNOWLAND] and the distinguished Senator from Texas [Mr. JOHNSON], show the courage and foresight and vision to stand up on the floor of the Senate, as these two leaders have done today, and speak their minds on a policy which concerns, in the ultimate, the survival of this country. It is a subject which certainly should command the attention of every thoughtful American and certainly of every Member of the Senate.

Without taking more time, it is inspiring to me—and it seldom occurs in a great legislative body—to see the two leaders of the two great political parties, the able majority leader, the Senator from California [Mr. KNOWLAND], and the able minority leader, the Senator from Texas [Mr. JOHNSON], stand on the floor of the Senate seeking the same objective, and courageously stating their minds.

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

Mr. BRIDGES. I yield.

Mr. THYE. Mr. President, I asked the distinguished Senator from New Hampshire to yield to me so that I might not only commend him but might also have the privilege of commending the majority leader, the Senator from California [Mr. KNOWLAND], and the minority leader, the Senator from Texas [Mr. JOHNSON], on their courageous stand on this international question. I wish to be associated with them in the statement of their convictions on this question. That is why I asked the Senator to yield at this time.

Mr. MORSE. Mr. President, I ask unanimous consent to speak for not more than 10 minutes.

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

Mr. MORSE. Mr. President, it had been my hope that this morning we would pay the highest respect that we could pay to the memory of HUGH BUTLER by recessing immediately.

I wish to say in regard to HUGH BUTLER what may be surprising to some Members of the Senate. HUGH BUTLER and I were closer personal friends than I believe many Members of the Senate realize. We conferred on a great many matters, including a great many matters on which we had differences of opinion. All I wish to say today in his memory is that I have lost a personal friend.

There has been brought into the discussion today a subject of such vital importance to our country that I feel a point of view should be expressed that has not been expressed in the discussion thus far, and I shall be very brief.

I do not share the point of view that the speeches of the majority leader and the minority leader on foreign policy have been of such tremendous importance or value as some have placed upon them. I believe that both of those speeches are likely to be subject to serious misinterpretation by many at home and abroad. I do not question the sincerity and the great patriotism of the majority leader and of the minority leader. However I wish to say that I do not yield to them either in sincerity or patriotism on the question of foreign policy or any other question. I wish to make very clear that in my judgment the United States is in serious danger so far as Soviet Russia is concerned. I have said time and time again on the floor of the Senate, and I repeat today, that if we ever permit ourselves to become weak enough so that Russia believes she can destroy us, she will try to destroy us. That is why I have always worked and will always continue to work for and fight for the strongest possible defense for my country, so that at all times Russia will understand that she has everything to lose and nothing to gain from an aggressive course of action against us or against freedom anywhere in the world.

What disturbs me, Mr. President, is a growing attitude in this country, which I believe is reflected by implication in the speeches of the majority leader and the minority leader, that if we cannot have our way in the field of foreign policy, and if the United Nations does not follow a course of action which we think it ought to follow, we will retire from the United Nations.

I happen to be one who believes that even if outvoted in the United Nations, it is important that the views of a free America be always spoken in the forums of the United Nations. I happen to be one who believes that eventually the right position of the United States will prevail in the councils of the world.

However, Mr. President, they must prevail in the forums of reason. We will not prevail, in my judgment, if we take the position that we will retire from the forums of reason and flex our military muscles and take the position that if we do not have our way in the forums of reason, we will impose our way in other forums by force.

We do not like to have it said about us, but the fact remains that throughout Asia today we are feared. We do not like to have it said about us, but the

fact remains that in many allied countries there is a mounting opinion that what the United States will insist upon is that either its way be followed or the world will be involved in war. That is a wrong opinion of our country.

I wish to assert here, just as strongly as have the majority leader and the minority leader asserted their position, that I believe there is a need for a reappraisal of American foreign policy, and there is a need for the United States to make clearer than she has made up to this hour that we are not bent on a course of war, but that we are bent on a course of peace.

Mr. President, when the news reports go out from here to the effect that the great political leaders of this country are taking the position that if such and such happens in the United Nations the United States will withdraw from the United Nations, the fallacious conclusion is likely to be drawn by too many that our attitude means we will go it alone in the world. The Russian propaganda will then be to the effect that we are on our way to war. I am greatly disturbed about it.

I am greatly disturbed about the position taken by the British. Any talk of a Locarno, in my judgment, is quite unrealistic. But we are not going to persuade, we are not going to be able to prove our case, by withdrawing from the world courtroom. I also believe we should recognize the importance of the right of appeal to world public opinion. If we lose a decision, that does not mean we have lost our case. We proceed to move on to the court of appeals of world opinion. We will lose the decision in the court of appeals by any talk about withdrawing from the United Nations.

Mr. President, I am greatly disturbed about what is happening in Asia from the standpoint of the position of India. I do not think we can overlook the conference between Nehru and Red China. I think Nehru is dead wrong in many of his assumptions, and particularly in his major assumption of neutralism. I do not like what I read on the ticker with respect to what is supposed to have happened in the conference between Nehru and Red China. But, Mr. President, I think we shall have to win the cause for peace on the economic front in Asia, and we had better reappraise our economic policies in Asia.

To illustrate my point, let us take a look—

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask unanimous consent that I may have 2 minutes more time.

The PRESIDING OFFICER. Without objection, the Senator may proceed for 2 minutes.

Mr. MORSE. Mr. President, I would have my colleagues look at the great dramatic struggle which I think is going on between India and Red China. We see the greatest manifestation of democratic processes in all Asia as of today in India, but, of course, not comparable to our democratic processes. Let us not take the position that we can superimpose on all of Asia in our decade a demo-

cratic process such as that in America, but let us work for growth in the development of those processes in Asia. We see them growing in India.

What is Nehru trying to do? He is trying, by democratic processes, to bring a better way of life, economically speaking, to millions of Indians, and until that better way of life comes to the Indians and the other masses of Asia, then I tell you, Mr. President, economic freedom and political freedom in America will always be in jeopardy.

What is Red China doing? Here is Nehru trying to bring a better way of life to the Indians, but what is China doing with thousands and thousands of Chinese in slave-labor camps, put on 500 or 600 calories a day because they will not kneel to the vicious program of Russia and Red China. The Chinese Communists are killing them off by the tens of thousands by working them to death in the building of great public works, highways, and dams, and then using the results of those slave-labor camps to try to propagandize the Indians. They point out to the Indians the great public works that are being built in Red China. The Reds hope that by looking into that kind of a showcase the Indians will believe it is communism that brings those benefits to the masses of the Chinese. However, we know and Nehru knows that it is only by police-state methods and slave labor that the public works are being built.

That is the kind of situation Nehru is up against.

What should we be doing? We ought to be bringing at least a minimum of \$300 million a year to India for Nehru to use in the exercise of democratic processes for the building of a better standard of living for the Indians. Instead, we are hearing speeches to the effect that if the allies do not all follow the lead of America and agree with us on every major issue of foreign policy we are going to walk out of the United Nations. I do not want Red China recognized by the United Nations. I want our delegation to vote against the recognition of Red China. I shall never vote on the floor of the Senate to recognize Red China on the basis of her record to date, but I am not going to take the position that if the majority of our allies make the mistake of admitting Red China to the United Nations we should walk out of the United Nations. To the contrary, we should stay there and carry the fight for freedom through the rules of reason to our allies and demonstrate to them the error of their ways.

I close by saying that I raise my voice here today only to point out to the American people that we better be on guard against all the calls of going it alone, because the danger is that if we heed those calls we shall be going it alone and we shall soon find ourselves in a third world war.

Mr. SMATHERS. Mr. President, I think the speeches which have been made this morning on the foreign situation point up the fact that we can all agree there is an immediate need for the so-called agonizing reappraisal of our foreign policy. We have heard considerable conflict of views expressed, not as

to what we ultimately wish to achieve, but as to the manner in which we wish to achieve it.

For my part, I wish to commend the forthrightness of the statement made by the distinguished minority leader [Mr. JOHNSON of Texas]. I recognize as the Senator from Oregon has suggested that it might be misunderstood. For nations as well as people read into the statements of others that which they wish to see. Nevertheless I do hope it will not be misunderstood by the leaders of the Soviet Union. For we do not want them to believe that any difference of opinion on our part with respect to the methods of how best to combat communism, to be incorrectly interpreted as a show of weakness on our part in the face of advancing communism.

I cannot help but agree with the statement made by the distinguished minority leader that if Red China was admitted into the United Nations, the United Nations thereafter possibly will not have the full and complete support and confidence of the American people. I feel safe in saying that that is the impression I get from the people I have come in contact with both in and outside of the State of Florida.

I cannot help but believe there are few Members of the United States Senate who would vote for the admission of Red China into the United Nations. Indeed when past votes here in the Senate have been almost unanimous in opposition to the admission of Red China into the U. N., and from that we can assume that votes in the future would be similar in result, then it would appear that the people of our Nation having a similar feeling about Red China—would oppose admitting Red China to the U. N., and if it were admitted, they thereafter would have little appetite to support it as a peace organization.

In any event, I certainly think the question points up the fact that an "agonizing reappraisal" on foreign policy is needed, and it needs to be made soon.

Mr. LEHMAN. Mr. President, I fully agree with the suggestion which has been made that we should and must reappraise our foreign policy. I frankly do not know what our foreign policy is today; but whatever it is, or whatever it is supposed to be, the circumstances have certainly changed during the last year or year and a half. History has been in the making. I agree that there should be a reappraisal of our foreign policy, painful as the reappraisal may be. One of the objectives of such a reappraisal should be to find out what our foreign policy today actually is. I do not know what it is.

But I wish to commend the distinguished junior Senator from Oregon [Mr. MORSE] for voicing a warning today, a warning which I think we in Congress and the people of the United States should take to heart. We cannot afford, I believe, to tell all the world that we are going to go it alone unless our friends and allies agree to see eye to eye with us. Certainly I do not think the United States should say to the world that if we do not get our way, we are going to withdraw from the United Nations. In

spite of any disappointments, in spite of any shortcomings, in spite of any frustrations, the United Nations in my opinion, is still the great hope in the world to bring about peace and security.

No one wants to compromise with principle. No one wants to appease. That should be unthinkable in our country. But certainly we do not want to cut ourselves off from a great international organization, of which the United States is one of the leading members, and in which we can express ourselves freely and frankly, and can debate and discuss the issues of peace and security.

So I say again that I believe the warning which has been voiced in the Senate today by the distinguished Senator from Oregon has been a most timely one. I hope it will be heeded.

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

Mr. LEHMAN. I yield.

Mr. JOHNSON of Texas. I have listened to the wholehearted endorsement by the Senator from New York of the statement made by the distinguished leader of the Independent Party. Does the Senator from New York disagree with the warning made by the minority leader; namely, that in the opinion of the minority leader, the American people will refuse to support the United Nations if Red China becomes a member?

I wish to call attention to the fact—and I believe the Senator from New York will remember it—that in the past 2 years the Senate has had 2 unanimous votes on this particular question, the result of the first being 91 to 0, and of the second, 76 to 0.

In the light of those unanimous expressions on the part of the Senate, does the Senator from New York, as a realistic and practical man, believe that the Senate, Congress, or the people will support the United Nations if Red China is permitted to shoot her way into it?

Mr. LEHMAN. I may say to the distinguished minority leader that, so far as I am concerned, as an American citizen and as a Member of the Senate, I would, at this time oppose, with all my strength, the admission of Red China into the United Nations. It may be that at some time in the past this Government should have given or could have given consideration to an arrangement, including appropriate guaranties, for the admission of Red China into the U. N. along with other nations now excluded from the U. N.

It may also be that as times passes, at some time in the future, the situation will change to the extent that we can again give consideration to such an arrangement. But as of today I can say unequivocally, as I believe the Senator from Oregon also has said, that I would strongly oppose the admission of Red China into the United Nations; but that does not necessarily mean that the United States should withdraw from the United Nations, even if Red China should be admitted over our strenuous objections.

Mr. JOHNSON of Texas. Would the Senator from New York be so kind as to answer my question?

Mr. LEHMAN. I think I have.

Mr. JOHNSON of Texas. The question was, Does the Senator from New York believe that the American people will refuse to support the United Nations if Red China is permitted to shoot her way into that organization, in the light of the votes in the Senate on this question last year and the year before?

Mr. LEHMAN. The United States certainly should use all means available to us to oppose the admission of Red China into the United Nations at the present time. I believe that the American people and the Congress of the United States would support the Government of the United States in following that course.

But while I thoroughly approve of the suggestion that the foreign policy of the United States be reappraised, I do not think that we should at this time categorically say that, no matter what happens, we intend to go it alone unless we get our way, and that we shall withdraw from the United Nations if we do not get our way. I still believe—and I think the American people believe—that the United Nations is one of the great bulwarks of peace and security in the world.

Mr. JOHNSON of Texas. The Senator from New York is not going to put words into my mouth. Nothing that I said would imply what the Senator has just stated.

I shall repeat my question, and shall ask the Senator if he will give me an answer.

Does the Senator from New York disagree with the observation that the American people will refuse to support the United Nations if Communist China is permitted to become a member of that organization? If the Senator can give me an answer to that question, I would appreciate it.

Mr. LEHMAN. I may say to the distinguished minority leader that the Senate of the United States has already expressed itself with regard to our relationship with Red China. I approved of the resolution which was passed.

Mr. JOHNSON of Texas. Then why does the Senator from New York find this statement so distasteful to him?

Mr. LEHMAN. Wait a minute. I have the floor.

The PRESIDING OFFICER. The Chair reminds Senators once again that the Senate is operating under the 2-minute rule.

Mr. LEHMAN. I believe I have answered the minority leader. I do not presume to speak for all the American people. Perhaps the minority leader presumes to speak for them. I can speak for myself only, and I can say to the Senator that I shall oppose, with all my heart, force, and might, the admission of Red China to the United Nations at this time. But that does not mean that we should forever close the door to a consideration of this matter at any time in the future, multilaterally by all the members of the United Nations, and I do not think we should cut ourselves off from further intercourse with our friends, neighbors, and allies merely because we cannot get our way unilaterally. That would be the height of folly. That would be cutting off our nose to spite our face.

Mr. JOHNSON of Texas. Mr. President—

The PRESIDING OFFICER. Does the Senator request more time?

Mr. JOHNSON of Texas. I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. JOHNSON of Texas. Mr. President, does the senior Senator from Texas understand correctly that he has unanimous consent to proceed for 1 minute?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. I wish to observe that, so far as I am able to detect, the Senator expresses his personal viewpoint that Communist China should not become a member of the United Nations, and he will fight it with all of his strength, and in the same sentence he finds my warning that the American people will not support the United Nations if Red China comes in very distasteful to him. I cannot understand that.

Mr. LEHMAN. May I say to the distinguished minority leader—

Mr. JOHNSON of Texas. I remind the Senator from New York that I have the floor. I repeat the Senator's reply to me. I asked permission to speak for 2 minutes, and the Senator from New York reminded me he had the floor. I shall be glad to yield to him if he wants me to.

Mr. LEHMAN. I may repeat what I said—that as of today I would fight against the admission of Red China as a member of the United Nations.

Mr. JOHNSON of Texas. If the Senator would fight against it, why does he not state on the floor of the Senate that he believes, as the Senate has expressed itself on two occasions, that it will take every step possible to prevent it, and that the American people will not support the move to make Red China a member of the United Nations?

Mr. LEHMAN. Mr. President, did the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I did not yield to the Senator in order that he might interrupt me. I wanted the Senator to answer the question.

Mr. LEHMAN. Does the Senator yield to me?

Mr. JOHNSON of Texas. Yes.

Mr. LEHMAN. Again I repeat my sentiments on the subject. Although I do not presume to speak for all the American people, I believe that the great majority of the American people would at this time say, "No, we are not willing to support the move to admit Red China into the United Nations; in fact, we will fight against it." But that is a very different position from that which has been taken here on the floor of the Senate by the two distinguished leaders, who want to issue an ultimatum today that under no circumstances should Red China be admitted at any future time, and that we will not only fight such a move, but will quit the United Nations if the move succeeds. I say that if a move develops to admit Red China, let us cross that bridge when we get to it, but not categorically oppose it, for all time and

under all conditions. Let us not say we will go it alone, if China is admitted.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. The Senator has inaccurately interpreted my remarks, and the Senator insists on misquoting me. No one has stated that we should issue an ultimatum. The statement was made that in the opinion of the Senator from Texas the American people would not support Communist China's becoming a part of the United Nations. The Senator heard that statement. He has heard that statement repeated, but the Senator from New York insists on placing a different construction on it.

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. For what purpose does the Senator address the Chair?

Mr. MORSE. I ask unanimous consent to speak for 2 minutes in answer to the question asked of the Senator from New York by the Senator from Texas.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon to speak for 2 minutes?

Mr. BUSH. Mr. President, I shall not object to the extension of the limitation of 2 minutes at this time, but I shall object thereafter, because I think the Senate has important business to consider. I do not mean to imply that the present subject is not important, but the Senate has met today to discuss further the tax bill. I shall be glad to withdraw objection to the extension of the 2-minute limitation, but henceforth I shall object.

Mr. MORSE. Mr. President, I think the Senator from Texas is entitled to an answer from me to the question which he put to the Senator from New York.

Mr. FULBRIGHT. Mr. President, will the Senator speak a little louder? We cannot hear him.

Mr. MORSE. I said that I think the Senator from Texas is entitled to an answer from me to the question which he put to the Senator from New York, because I think I am involved in the same question.

I wish to say that if the United Nations should ever make the terrible mistake of admitting Red China to the United Nations, the American people, in my opinion, once they came to understand all the facts, would not favor withdrawing from the United Nations, even though they believed the United Nations made a great mistake, because of the two alternatives which would confront the American people. I think that under the circumstances the obligation of the political leadership in this country would be to take the facts to the American people as to what the alternatives would be. In my judgment, if we followed a course of action which would be interpreted around the world as causing a breakdown in the United Nations, we would have the world against us, and before long we would be involved in a third world war. I believe the American people would understand that. I believe the American people believe in the democratic process. They know that sometimes in the democratic process deci-

sions are lost by a majority vote. If we lose this decision, let me say that here is one Senator who would vote in the United States Senate to stay within the United Nations, because, in my judgment, it affords the best possible hope for permanent peace in this world. We ought to continue to present our case to our allies in the United Nations on the Red China and other issues in order to show them the error of their ways. I do not accept the notion that the American people believe in violating a vital rule of the playground, namely, playing by the rules. They do not believe that if you cannot have your way, you should pick up your marbles and go home. If we follow that course of action contrary to the rules we will go home. Unfortunately, I am afraid we will have some enemies visited upon us in a short period of time in a third world war.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. I close my reply by saying to the Senator from Texas that I think he is dead wrong if he thinks the majority of the American people would vote to get out of the United Nations if the United Nations made the mistake of admitting Red China into its membership.

Mr. FULBRIGHT subsequently said: Mr. President, I did not hear the speech made earlier this morning by the minority leader [Mr. JOHNSON of Texas], but I heard the statement recently made, and, as a member of the Foreign Relations Committee, I feel that at least I should make a very short statement.

First, Mr. President, I question the wisdom of settling our foreign policy when proceeding under the 2-minute rule. I believe it is a complicated and difficult subject and can hardly be decided with justice in 2 minutes. I do not believe the subject lends itself to such brief treatment.

Next, I wish to say to the minority leader that if we fail in our objection to the admission to the United Nations of Communist China, I do not believe we should withdraw from the United Nations. I do not agree that we should do so. I think to do so or to take that view would be evidence of political immaturity.

Of course, we cannot tell what circumstances may develop in the future, but as of the present, I agree with what I believe to be the sentiment of the majority of the people of the country, namely, that, as of now, Red China should not be admitted to the United Nations.

But I wish the Senate and the country to consider another point: I cannot see why we should be quite so violent in our objection to the admission of Red China to the United Nations at any time, so long as we go along with the admission to the United Nations of Russia, as of now. On the one hand, people say China is under the domination of Russia. On the other hand, I think most persons feel, as I do, that Russia is the moving spirit in the conspiracy. Inasmuch as we have recognized Russia, do business with her, have sent an Ambassador to her, and have received her Ambassador,

I cannot quite understand the fundamental distinction between that relationship and the relationship which would exist upon the admission of Red China, although as of now, and for fundamental reasons, I am not advocating the admission of Red China to the United Nations. But I do not see the consistency of such a policy, especially when we also realize that it was not very long ago that both Japan and Germany were our enemies, whereas now we have made great efforts and spent much time and money in helping them.

Mr. President, I do not know when or if Red China will be admitted to the United Nations—whether now or next month or at any time. However, I think it is a mistake for us to give the other nations the impression that we are now making up our minds that at no time in the future will we ever change our relationship with Red China.

REVISION OF INTERNAL REVENUE LAWS

The Senate resumed the consideration of the bill (H. R. 8300) to revise the internal revenue laws of the United States.

Mr. LONG. Mr. President, I should like to make a 2-minute statement.

Mr. BUSH. Mr. President, reserving the right to object, I should like to ask the Senator from Louisiana if it has to do with the general subject which is being discussed.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Is the Senate not now transacting business in the morning hour?

The PRESIDING OFFICER. It is.

Mr. JOHNSON of Texas. Then it makes no difference with what subject the statement of the Senator from Louisiana will be concerned. The Senator has a right to speak for 2 minutes.

Mr. BUSH. I did not understand we were in the morning hour. Some of the statements had extended for more than 2 minutes.

Mr. JOHNSON of Texas. That was done with the approval of the Senators present.

Mr. LONG. On page 9506 of the RECORD of yesterday the report of the colloquy of both the majority and the minority leaders indicates that at about 10:30 or 11:30 last night it was stated there would be no further yea-and-nay votes and that nothing of great consequence would be decided during the evening.

Thereafter the Senate adopted an amendment which I believe will perhaps double the cost of this tax bill. That was an amendment to permit all farmers or anyone else engaged in the farming business to build grain-storage facilities, cornerbills, or similar structures suitable for the storage of grain, and to take a complete 100-percent deduction of the cost of building those facilities. As I understand, there was a limitation in the amendment to the effect that the person who built the cornerbill, silo, or grain-storage facility would not be able

to take advantage of this provision to the extent of more than 25 percent of his gross income. What could that mean, Mr. President? It could mean that a man in the oil or gas business, for example, who also owned some cattle or a farm, could proceed, if he had \$1 million of income, to build \$250,000 worth of grain-storage facilities, and, to that extent, that person would completely avoid taxation on the additional \$250,000 of grain-storage facilities.

Mr. President, so far as that man would be concerned, the amendment would have the effect of trebling his net income. I do not believe the Senate wanted to agree to anything of that sort. Yet the RECORD will show that between the hours of 11:30 and 12 o'clock last night, the Senate agreed to that amendment, which places in this tax bill a loophole 1 mile wide and 1 mile high. Mr. President, that was after the Senate had rejected first one minor amendment and then other minor amendments, many of which had merit, and many of which might have benefited various hardship cases.

The PRESIDING OFFICER (Mr. UPSON in the chair). The time of the Senator from Louisiana has expired.

Is there further morning business?

Mr. LONG. Mr. President, I should like to state that I voted against this amendment, although no one spoke for the opposition on the floor.

The PRESIDING OFFICER. Is there further morning business?

EXHIBITION OF IMPORTED ARTICLES AT THE WASHINGTON STATE FOURTH INTERNATIONAL TRADE FAIR

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, so that we may dispose of several matters which I believe are not controversial, and which involve deadline dates which soon will arrive.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Colorado yield to me?

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. Does the Senator from Colorado refer to the measures he brought to our attention earlier this morning?

Mr. MILLIKIN. Yes, exactly.

Mr. JOHNSON of Texas. Very well; we have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, in connection with international trade fairs and similar exhibitions, it has been customary for Congress to suspend or defer our tariff laws insofar as exhibits to be brought to such fairs are concerned.

There are, in connection with procedures customarily followed by Congress, and incorporated in the measures I shall mention, protective provisions to allow such materials to enter the United States and be exhibited at such fairs, although if they remain in the United States and are sold, the usual tariff provisions apply.

The three measures I shall next bring to the attention of the Senate are measures of that kind. One of them, House Joint Resolution 545, Calendar 1713, has to do with the proper entry of articles of the kind I have described, for the purpose of being exhibited at the International Trade Sample Fair, at Dallas, Tex.

Another measure, House Joint Resolution 256, Calendar 1711, has to do with the same subject, in connection with the exhibition of imported articles at the First International Instrument Congress and Exposition, at Philadelphia, Pa.

The third measure, House Joint Resolution 537, Calendar 1712, is of the same sort, and relates to exhibitions at the Washington State Fourth International Trade Fair, at Seattle, Wash. In short, all of these measures contain the same protective provisions.

I may say that these joint resolutions were reported unanimously yesterday, by the Senate Finance Committee. The various communities affected must know where they stand in regard to the tariff situation, before they can really complete their plans to have these fairs. So I hope these measures may be considered by the Senate at once.

Mr. President, should they be considered separately, or would it be proper to have them considered en bloc?

The PRESIDING OFFICER. It would be more appropriate to have them considered one at a time.

Mr. MILLIKIN. Then, Mr. President, I ask unanimous consent for the immediate consideration of House Joint Resolution 537, relating to the fair to be held at Seattle, Wash.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 537) to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Fourth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes.

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

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

EXHIBITION OF IMPORTED ARTICLES AT THE FIRST INTERNATIONAL INSTRUMENT CONGRESS AND EXPOSITION

Mr. MILLIKIN. Mr. President, I now ask unanimous consent for the immediate consideration of House Joint Resolution 256, relating to the Instrument Congress and Exposition at Philadelphia, Pa.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 256) to permit articles imported from foreign countries for the purpose of exhibition at the First International Instrument Congress and Exposition, Philadelphia, Pa., to be ad-

mitted without payment of tariff, and for other purposes.

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

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

EXHIBITION OF IMPORTED ARTICLES AT THE INTERNATIONAL TRADE SAMPLE FAIR, DALLAS, TEX.

Mr. MILLIKIN. Mr. President, I now ask unanimous consent for the immediate consideration of House Joint Resolution 545, relating to the exhibition of imported articles at the International Trade Sample Fair, at Dallas, Tex.

The PRESIDING OFFICER. The joint resolution will be read by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 545) to permit articles imported from foreign countries for the purpose of exhibition at the International Trade Sample Fair, Dallas, Tex., to be admitted without payment of tariff, and for other purposes.

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

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

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

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

Mr. JOHNSON of Texas. Do I correctly understand that the measure just passed is House Joint Resolution 545, relating to the International Trade Sample Fair at Dallas, Tex.?

The PRESIDING OFFICER. That is correct; that joint resolution has now been passed.

FREE ENTRY OF PHILIPPINE ARTICLES INTO THE UNITED STATES

Mr. MILLIKIN. Mr. President, some time ago, when the Philippines were liberated, we made a trade agreement with that Government. For a time duties were suspended between the countries. That arrangement expires on July 4 of this year. House bill 9315, Calendar 1714, provides for the extension of the existing arrangement.

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

Mr. MILLIKIN. I yield.

Mr. JOHNSON of Texas. If the Senator will withhold his request for the consideration of that particular bill at this time, I hope that at some time during the day it will be possible to arrive at a satisfactory arrangement.

Mr. MILLIKIN. Very well.

Mr. JOHNSON of Texas. I thank the Senator.

ADDITIONAL OFFICIALS IN THE TREASURY DEPARTMENT

Mr. MILLIKIN. Mr. President, yesterday Senate bill 3605, to abolish the

offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary of the Treasury Department was unanimously reported from the Committee on Finance. I ask unanimous consent for the present consideration of the bill.

Mr. DOUGLAS. Mr. President, may I inquire whether the new officials will be subject to Senate confirmation?

Mr. MILLIKIN. I am very glad to add that the new officials will be subject to Senate confirmation.

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

There being no objection, the Senate proceeded to consider the bill (S. 3605) to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary of the Treasury Department, which had been reported from the Committee on Finance with an amendment, on page 1, beginning in line 3, to strike out "That section 303 of the Revised Statutes, as amended (31 U. S. C. 143), establishing the office of Assistant Treasurer of the United States, is repealed," and in lieu thereof to insert:

That (a) section 303 of the Revised Statutes, as amended (39 U. S. C. 143), establishing the office of Assistant Treasurer of the United States, and the act approved April 9, 1926 (31 U. S. C. 143a) designating the Deputy Assistant Treasurer as Assistant Treasurer, are repealed.

(b) Section 304 of the Revised Statutes, as amended (31 U. S. C. 144), is amended (1) by striking out "Treasurer may, in his discretion, and with the consent of the Secretary of the Treasury, authorize the Assistant Treasurer to act in the place and discharge any or all of the duties of the Treasurer of the United States; and the", and (2) by striking out "both the Treasurer and Assistant Treasurer" and inserting in lieu thereof "the Treasurer."

So as to make the bill read:

Be it enacted, etc., That (a) section 303 of the Revised Statutes, as amended (39 U. S. C. 143), establishing the office of Assistant Treasurer of the United States, and the act approved April 9, 1926 (31 U. S. C. 143a), designating the Deputy Assistant Treasurer as Assistant Treasurer, are repealed.

(b) Section 304 of the Revised Statutes, as amended (31 U. S. C. 144), is amended (1) by striking out "Treasurer may, in his discretion, and with the consent of the Secretary of the Treasury, authorize the Assistant Treasurer to act in the place and discharge any or all of the duties of the Treasurer of the United States; and the", and (2) by striking out "both the Treasurer and Assistant Treasurer" and inserting in lieu thereof "the Treasurer."

SEC. 2. Sections 314 and 315 of the Revised Statutes, as amended, and the joint resolution approved December 13, 1892 (31 U. S. C. 164, 165, and 166), establishing the office of Assistant Register of the Treasury, specifying the duties of the office, and providing for the appointment of an Acting Assistant Register, are repealed.

SEC. 3. The provision in the act of February 17, 1922, which established the Office of Under Secretary of the Treasury, as amended and supplemented (5 U. S. C. 244), is amended to read as follows:

"There shall be in the Department of the Treasury an Under Secretary and an Under

Secretary for Monetary Affairs, each to be appointed by the President, by and with the advice and consent of the Senate. The compensation of the Under Secretary and the Under Secretary for Monetary Affairs shall be at the rate of \$17,500 each per annum. They shall perform such duties in the Office of the Secretary as may be prescribed by the Secretary of the Treasury."

SEC. 4. Section 234 of the Revised Statutes, as amended (5 U. S. C. 246), is further amended to read as follows:

"234. There shall be in the Department of the Treasury three Assistant Secretaries of the Treasury, who shall be appointed by the President, by and with the advice and consent of the Senate."

The amendment was agreed to.

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

REVISION OF INTERNAL REVENUE LAWS

The Senate resumed the consideration of the bill (H. R. 8300) to revise the internal revenue laws of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

Mr. MORSE. Mr. President, will the Senator from Colorado yield me such time as I need to ask the Senator from South Dakota a few questions with regard to his amendment?

Mr. MILLIKIN. Certainly. I assume there will be some limit to the time.

Mr. MORSE. I shall require not more than 3 minutes.

Mr. MILLIKIN. The Senator may have more time than that if he desires.

Mr. MORSE. Mr. President, I do not find myself in opposition to what I think is the objective of the amendment, but I respectfully suggest that I think the wording of the amendment needs to be improved and clarified. The language reads in part as follows:

And if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.

There are a great many types of rodeos and pageants. The benefits from a rodeo or a pageant may not necessarily go to any historical group or historical objective, or to any charitable objective. The rodeo may be put on by some organization such as the Rotary Club, the Kiwanis Club, or any one of many organizations within the community. In that event the benefits would not inure to any private stockholder or individual. However, the benefits should be taxed unless they go to a worthy public purpose. Where the benefits are to go for charitable purposes, or to a historical cause, such as a historical museum, I certainly think the benefits should not be taxed.

In my judgment, from a legal standpoint, the language "and if no part of the net earnings thereof inures to the benefit of any private stockholder or individual" does not plug a possible loophole for use of such funds for a purpose contrary to what I think is the objective of the Senator from South Dakota, with which objective I am in complete agreement.

Mr. CASE. Mr. President, I think the answer may be found in the clauses im-

mediately ahead of what the Senator has read. I refer to the language beginning in line 7:

If the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such rodeo or pageant—

Both that clause and the other clause—"and if no part of the net earnings thereof inures to the benefit of any private stockholder or individual" are identical with the language in the present statute on other exemptions, and also in the amendments reported from the Senate Committee on Finance.

At page 358 of the committee amendments, a paragraph numbered (7) is added to the six paragraphs which are in the bill as it passed the House. The paragraph reported from the committee reads as follows:

Certain amateur theater performances: Any admission to an amateur performance presented and performed by a civic or community theater group or organization—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.

That language is identical with the language in my amendment, which would become paragraph (8).

In the House bill, at page 445, in an earlier paragraph headed "Agricultural fairs," the language reads:

Any admissions to agricultural fairs if no part of the net earnings thereof inures to the benefit of any stockholders or members of the association conducting the same—if the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such agricultural fairs.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. CASE. Mr. President, I presume I have an hour under the unanimous consent agreement. I do not intend to debate the amendment very long. I am perfectly willing to yield additional time to the Senator from Oregon.

Mr. MORSE. I thank the Senator.

The statutory precedent cited by the Senator from South Dakota is a very good precedent, and would be entirely acceptable to me if I did not know as much as I do about the various types of rodeos and historical pageants. Many of them are really, in a way, quasi-private enterprises. Those who conduct them may put on some charitable performance, but they put on a great many performances which are not for charitable causes. The charitable causes which they support are very beneficial to them in connection with their commercial showings.

It seems to me that what we ought to do is to insert language which would require—in the affirmative rather than the negative—that all the net earnings thereof inure to the benefit of some public charity or worthy public cause.

Mr. CASE. Does not the Senator think that is covered in line 7 of the amendment by the language which reads:

If the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such rodeo or pageant—

That language puts it practically on a self-supporting basis.

Mr. MORSE. That is the point I wish to make. The language which the Senator cites permits the funds to be used for the benefit of the rodeo or pageant organization. Those who conduct the performances will get their expense money out of the proceeds anyway. That is a part of the gross, not the net. What I think we ought to guarantee is that the net earnings—this is the part concerned with taxes—are to be used for some public charity or historical purpose. Then if the organization qualifies under that requirement, it can obtain the tax exemption the Senator seeks.

Mr. CASE. If the language needs some tightening in that connection I certainly would be in favor of having that done, although I believe the basic bill and the revised code use identical language in the provision applicable to exemptions for historical sites, community entertainments, and musical concerts, and agricultural fairs.

Mr. MORSE. I believe that is a strong argument.

Mr. CASE. To be specific, the bill reference to admissions to concerts conducted by a civic or community membership organization says, "if no part of the net earnings thereof inures to the benefit of any stockholders or members of such association," and so forth. That is the same language as in my amendment.

Mr. MORSE. I do not intend to submit an amendment to the Senator's amendment. I believe we have made the record on this matter. I hope the chairman of the Finance Committee will take the amendment to conference. I have accomplished my purpose of pointing out a problem and I conclude by saying to the chairman that I believe he will find if he comes to examine the organization of rodeos across the country that my point is well taken. I am a strong rodeo fan, having ridden in some rodeos, although only as what is called a pickup man, not as a broncobuster. There are different types of rodeos and there are different types of historical pageants, which are put on by quasi-private organizations. I am sure the chairman will give consideration to a guaranty that the proceeds of any program covered by the amendment will be used for a public purpose or for a charitable purpose or for a historical cause.

When such programs are put on within the objective of the amendment, I agree that the proceeds should be tax exempt.

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

Mr. CASE. I yield.

Mr. WELKER. I should like to ask this question of the Senator from Oregon: Will my distinguished friend from Oregon tell me whether or not the world's greatest rodeo, the Pendleton Roundup, comes into the category he is discussing?

Mr. MORSE. I believe the Pendleton Roundup is a quasi-private rodeo but its proceeds go to good public causes.

Mr. WELKER. Do they not distribute the receipts for the benefit of underprivileged persons or crippled children?

Mr. MORSE. Yes, they do.

Mr. MILLIKIN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield.

Mr. MILLIKIN. Mr. President, I believe the Senator from Oregon [Mr. MORSE] has made some very pertinent observations, and I can assure him that they will not be overlooked in conference. I am willing to take the amendment to conference. In some aspects the amendment, together with a few other amendments which we have already approved, is a little bit outside of what we hoped to do in this bill, but these are very worthy causes. As I said, I am willing to take the amendment to conference, and I shall keep in mind the observations of the Senator from Oregon. I hope the Senator from South Dakota and the Senator from Oregon will give the conferees any suggestions that will improve the situation.

Mr. CASE. I appreciate the statement of the chairman of the committee, and also the suggestions made by the Senator from Oregon. I assure them and the other Members of the Senate that it is not the intent of the amendment in any way to take care of private rodeo organizations, but to limit it strictly to noncommercial, nonprofit community presentations. These rodeos and historical pageants in many sections of the country correspond to agricultural fairs or community concerts in other sections. In my hometown of Custer, S. Dak., for example, we have the annual Gold Discovery Days pageant, which is presented by the Women's Community Civic Club. It is definitely a communitywide event in which everyone joins with no thought of private profit. It portrays the history of the community, the discovery of gold, and the subsequent conflicts between the miners and the Indians. It is strictly historical and contributes to love of country. But the women find it difficult to meet expenses some years and they need to accumulate some reserves. In fact there was some suggestion that they might have to abandon the pageant this year because of the amount of receipts that were required to pay the taxes last year.

Similar difficulties have been encountered at other places. Deadwood's historic days of '76 have had the same problem. At Deadwood there is a combination of an historical parade and rodeo, one of the best in the West.

The problems of these community groups led the South Dakota delegation to see what could be done about the matter—and the Record should show, Mr. President, that I have offered this amendment with my colleague [Mr. MUNDT] as cosponsor.

These pageants and rodeo-pageants are presented on anniversary dates once a year and are essentially historical in character. They are in keeping with the events for which exemptions of admission taxes have been granted, and I thank the chairman of the committee for his offer to accept the amendment.

Mr. MORSE. Will the Senator yield?

Mr. CASE. I yield.

Mr. MORSE. In my home town we have a Pioneer Pageant which is put on about once every 4 years. It falls com-

pletely under the category of historical pageants which the Senator has in mind. I think that relief ought to be provided.

Mr. CASE. I thank the Senator from Oregon.

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

Mr. CASE. I yield.

Mr. LONG. I should like to state that I am in support of the amendment. In many instances we find these types of rodeos and shows held by universities. In each instance they must pay a tax. In my State there are instances of civic undertakings which are promoted by the livestock industry, and it is very burdensome for them to have to pay the taxes which are imposed. In a very few cases we have given relief from the admissions tax. We have already given relief from the admissions tax in other instances, and I believe this is a type of relief that should be given, and I am delighted to support the amendment.

The PRESIDING OFFICER (Mr. UP-
TON in the chair). Is any further time required?

If not, the question is on the agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I call up my amendment "6-30-54-F," with the modification that was added to the amendment at the desk this morning. The Senator from Iowa [Mr. GILLETTE] and the Senator from Minnesota [Mr. HUMPHREY] join with me in offering the amendment. I ask that it be stated.

The CHIEF CLERK. On page 54, after section 175, it is proposed to insert a new section as follows:

SEC. 176. Farm machinery expenditures.

(a) In general: For purposes of this subtitle, a taxpayer engaged in the business of farming may treat expenditures which are paid or incurred by him during the taxable year to acquire farm machinery as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

(b) Definition of farm machinery: For purposes of this section, the term "farm machinery" means only machinery designed primarily for use in the conduct of farming operations and, regardless of the use for which so designed, is used by the taxpayer primarily in the conduct of his business of farming.

(c) Limitation: The amount deductible under subsection (a) for any taxable year shall not exceed 25 percent of gross income. If for any taxable year the total of the expenditures treated as expenses which are not chargeable to capital account exceeds 25 percent of gross income, such excess shall be deductible for the succeeding taxable years in order of time; but the amount deductible under this section for any one such succeeding taxable year (including the expenditures actually paid or incurred during the taxable year) shall not exceed 25 percent of gross income.

(d) Election of taxpayer:

(1) Time of election: The election by the taxpayer to treat expenditures to acquire an item of farm machinery as expenses not chargeable to capital account shall be made at the time of filing his return for the first taxable year in which such expenditures are paid or incurred.

(2) Scope of election: A separate election shall be made by the taxpayer with respect to each item of farm machinery and such election shall apply to all expenditures paid

or incurred in any taxable year to acquire such item.

(3) Failure to make election: If the taxpayer fails to make an election to treat expenditures to acquire farm machinery as expenses not chargeable to capital account at the time prescribed in paragraph (1), and in the manner prescribed by the Secretary or his delegate, such failure shall be considered as an election not to so treat such expenditures.

(e) Special rules:

(1) Basis of property: Notwithstanding the provisions of section 1012 (relating to basis of property), the basis of any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a) shall be \$0.

(2) Treatment of gain as ordinary income: In the case of the sale or exchange of any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a), any gain recognized from such sale or exchange shall be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231.

(3) Disallowance of deduction for depreciation: No deduction under section 167 (relating to deduction for depreciation) shall be allowed with respect to any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a).

(g) Effective date: This section shall apply only to expenditures paid or incurred to acquire farm machinery which is acquired after December 31, 1953, but before December 31, 1955.

The PRESIDING OFFICER. How much time does the Senator allot to himself?

Mr. DOUGLAS. One hour, or such smaller amounts of time thereof as may suffice.

Mr. President, this amendment is a very simple one. It proposes to grant accelerated depreciation on farm machinery. At the present time farmers operate under a depreciation table which is set out at pages 12 and 13 of Bulletin F of the United States Treasury Department. The life, for example, of a tractor, is set as 10 years. Therefore, at the present time, only one-tenth can be written off each year. Under the provisions of the pending bill, of course, there would be an accelerated rate which would result in approximately twice the normal rate in the first 5-year period and one-half the rate in the second 5 years.

Furthermore, it is interesting to note some of the long periods of amortization provided for other types of farm equipment. For example, grain harvesters are given a life of as much as 15 years; corn binders, 12 years; grain binders, 14 years; canning machines, 15 years; cultivators, 15 years; fertilizer distributors, 12 years; hay and seed loaders, 10 years; farm mowers, 14 years; plows, 15 years. The Treasury Department is responsible for the statement that the average life of farm machinery provided for in the present depreciation allowance of the Treasury amounts to 15 years.

Mr. President, I ask unanimous consent to insert in the RECORD the schedule of useful life of various types of farm equipment as published by the Treasury Department. The source is pages 12-13 of the Treasury Department Bulletin F, subtitled "Income Tax Depreciation and

Obsolescence Estimated Useful Lives and Depreciation Rates."

There being no objection, the schedule was ordered printed, as follows:

DEPRECIATION PERIOD FOR FARM EQUIPMENT

The lives set forth pertain to the prime producers in agriculture. On a composite basis, agricultural property is generally divided into buildings, taking approximately a 50-year average life, and machinery and equipment, taking a 15-year average life.

Item lives for the various assets used in agriculture are tabulated as follows:

Average useful life (years)

Animals:	
Cattle, breeding or dairy	8
Goats, breeding	5
Hogs, breeding	5
Horses, breeding or work	10
Mules, work	10
Sheep, breeding	5
Barrels, dip	6
Beehives	10
Benches	20
Binders:	
Corn	12
Grain	14
Bins	20
Boilers	20
Bunchers, clover	15
Burners, oil	15
Cables	8
Canals:	
Steel and concrete	50
Wood syphon	25
Canning machines	15
Carriers:	
Feed	20
Hay	25
Litter	5
Carts:	
Dump and farm	8
Hand	5
Cellars, root	30
Cesspools	15
Cisterns	33
Cleaners and graders	15
Clippers, horse	8
Conveyors and elevators	15
Covers, canvas	8
Cribs, corn	30
Crushers, corn and cob	15
Cultivators	15
Culverts:	
Masonry and cast-iron pipe	50
Galvanized corrugated iron	25
Riveted steel	33
Cups, turpentine	5
Cutters:	
Feed	12
Rotary stump	20
Diggers, potato	15
Distributors, fertilizer	12
Drills:	
Grain	15
Well	10
Dross plants	10
Elevator machinery, grain	18
Elevator and wagon dump, grain	12
Engines:	
Gasoline	10
Diesel	15
Stationary, steam	20
Traction, steam	20
Feeders	8
Fences machines	5
Fence posts, steel	30
Fences:	
Snow	8
Wood	15
Fencing, woven wire	15
Flumes	25
Forges, portable	12
Fumigators	10
Furnaces:	
Evaporator, dry	15
Heating	20
Furrow openers, disk	15
Gates, farm	15
Generators, gas, acetylene	15

Average useful life (years)—Continued

Grinders, grain and feed	15
Groves. (See trees and vines.)	
Harness	7
Harrows	15
Harvesters, grain	15
Headers	15
Holsts and forks, hay	12
Hullers, clover and alfalfa	15
Huskers	15
Ice boxes	12
Ice harvesting and hoisting machinery	10
Incubators and brooders	15
Laboratory equipment	10
Listers	15
Loaders, hay and seed	10
Milking machines	20
Mills and presses, cider	15
Mills:	
Corn, portable	12
Feed	15
Grist	25
Smut	15
Mowers:	
Farm	14
Lawn	8
Orchard tools	7
Orchards. (See trees and vines.)	
Packing tools	10
Pens	20
Picking machines	5
Planters	15
Plows	15
Press, hay, baling	12
Pullers, beet	18
Pullers and grubbers, stump	20
Pulverizers, limestone	10
Pumps:	
Bucket	22
Centrifugal or rotary	20
Piunger	15
Racks:	
Feed	10
Hay and stack	15
Rakes	15
Refrigerators, electric	15
Saddles	10
Saws, circular	15
Scales:	
Portable	15
Truck or wagon	25
Seeders, all types	18
Separators, cream or grain	15
Setters, plant	12
Shearing machines, hand and power	18
Shellers, corn	20
Shredders	15
Silos:	
Concrete	50
Metal	25
Wooden	20
Sleds and sleighs	15
Smudge pots	10
Sorters, potato	20
Sowers:	
Grain, broadcast	15
Lime	8
Sprayers	15
Spreaders, manure	15
Stackers, hay	20
Subsoilers	10
Tanks:	
Grain—	
Concrete	50
Metal	25
Turpentine	5
Wagon	10
Water—	
Steel	40
Wood	20
Watering	20
Tarpaulins	8
Threshing machines	15
Tractors	10
Trees and vines:	
Almond	40
Apple	50
Apricot	25
Banana	10
Cherry	50
Fig	60

Average useful life (years)—Continued

Trees and vines—Continued

Grape.....	33
Grapefruit.....	40
Lemon.....	40
Nectarine.....	15
Olive.....	50
Orange.....	40
Peach.....	15
Pear.....	40
Plum.....	33
Prune.....	33
Walnut.....	40
Troughs, iron and steel.....	15
Vats, dipping.....	10
Wagon beds and racks.....	6
Wagon gear—wood wheels.....	12
Wagons:	
Light.....	12
Trucking, heavy duty.....	10
Wheighers and baggage, grain.....	20
Windmills.....	20

Source: Bulletin F, Bureau of Internal Revenue, U. S. Treasury Department (revised January 1942).

Mr. DOUGLAS. Even with the more liberal provisions in the pending bill, this operates to discourage the farmer from purchasing farm machinery because the expense is immediate. But the credit has to be spread over 10, 15, and, in some cases, an even greater number of years.

I think we all know that the farm-machinery industry is in difficulty. In fact, the present recession largely started in the farm-equipment industry. It was the farm-equipment centers in my State which, as early as last summer, felt the falling off in sales, production, and employment. While there was a temporary pickup during the past spring incident to the production of new models, the pickup has ended and the lay-offs are proceeding in great numbers in the farm-equipment centers. The truth of the matter, of course, is that the farmers are reluctant to purchase farm equipment, in view of the farm situation and in view of the meager allowance which is given for depreciation. We all know that farm prices, particularly for hogs, are continuing to fall, and with the large pig crop coming into the market, the prospect is for a still further drop in the price of hogs.

I think the amendment which the Senate adopted last night with reference to farm storage will help to hold back from the market some wheat which otherwise would have had to be dumped at low prices, but this may come too late to do any good, and we may face a sharp fall in wheat prices and a lowering of corn prices. Therefore, Mr. President, it seems to me that some provision should be made for accelerated depreciation for farm machinery.

HOW THE FARM-MACHINERY AMENDMENT WOULD WORK

Our amendment to H. R. 8300, the Internal Revenue Code of 1954, would permit farmers to deduct the costs of farm machinery in computing their Federal income tax, rather than capitalizing such costs and deducting each year an amount for the depreciation of such machinery.

Farm machinery is defined to mean machinery designed primarily for use in farming operations and, regardless of the use for which designed, used by a farmer primarily in the conduct of his

business of farming. This definition would exclude machinery designed for general use in business operations, not primarily for farming operations, and would require that the machinery actually be used primarily in the conduct of the business of farming.

Under the proposed amendment, up to 25 percent of gross income of expenditures paid or incurred to acquire farm machinery in any year could be deducted. However, if in any year a farmer has expenditures for acquiring farm machinery of more than 25 percent of his gross income, he could carry over the balance and deduct it in succeeding taxable years, but not over 25 percent of gross income in any one year.

This new procedure for deducting the costs of farm machinery would apply only if the farmer so elects. His election is to be made at the time he files his income-tax return for the taxable year in which the expenditures for farm machinery are paid or incurred. An election must be made for each item of farm machinery acquired, and must apply to the total cost of such item of farm machinery. Thus a farmer in any year could elect to apply the new procedure to some machinery which he acquires and not to other machinery, but he could not apply the new procedure to a portion of the cost of a single item of farm machinery.

The amendment provides three special rules to make this new procedure consistent with the general income-tax structure.

First. The basis for determining gain upon sale or exchange of any item of farm machinery to which the new procedure is applied would be \$0. The reason for this is that the farmer has been allowed to deduct the total cost of the item in the year or years in which the expenditures for such items were paid or incurred. The effect is that upon the sale or exchange of any such item any amount received for such item would constitute gain to the farmer.

Second. Any gain recognized from the sale or exchange of any item of farm machinery to which the new procedure has been applied would constitute ordinary income, rather than capital gain. The reason for this is that the deduction of the cost of the item would, in most cases, have offset ordinary income in the year in which the deduction was taken.

Third. No deduction would be allowed for the depreciation of any item of farm machinery to which the new procedure has been applied since the total cost has been deducted in the year or years in which the expenditures for the item were paid or incurred.

The amendment would apply only to farm machinery acquired after December 31, 1953, and before December 31, 1955. It would therefore be limited to 2 years.

WHY THE FARM-MACHINERY AMENDMENT SHOULD BE ADOPTED

This amendment, which the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and I have offered, is very simple in its purpose and its operation. It allows a farmer to elect either to amortize the cost of new

farm machinery over an average period of approximately 15 years, as is now required, or take a tax deduction up to 25 percent of gross income for tax purposes, for the purchase of new machinery, and to carry over that portion of cost which may exceed the amount of 25 percent of his gross income.

Thus, if a farmer spends \$5,000 in one year for a new tractor, combine and power hay baler, he may either amortize that cost over 10 years, or, if his gross farm income is \$20,000 in that year, he may charge off in computing his taxes, the entire cost. If his gross farm income should be \$16,000, he would be permitted to charge off \$4,000 if he so desired, and carry over the remaining \$1,000 as a tax allowance on his next year's income.

In other words, we propose to extend to the purchase of farm machinery—needed and used in actual farming operations, in producing, processing or getting crops ready for market—the same tax treatment that is accorded in the case of the construction of a farm pond.

It seems to me that this, in view of what we are doing in this tax bill, and the tax amortizations we have granted to utilities, national defense plants, and the benefits we are proposing to give to investors and stockholders, is entirely fair.

The farmer has one of the biggest investments in this country—\$165 billions. His total real estate and non-real estate debt is in round figures \$14.4 billions. He has to carry his own investment, in short; he can't go out and sell stock and let others supply the money for his operations. His total income is \$34 billions—using round figures—and, excluding income taxes which everyone pays, in 1952 the farmer paid in addition \$821 millions of real estate taxes, \$230 millions on his personal property, \$119 millions for licenses and permits, \$159 millions of State motor fuel taxes, and \$121 millions of Federal motor fuel taxes.

His operations are costly, hazardous, and the results uncertain. The farmer uses 16.6 percent of our petroleum products, 9 percent of our steel output, 10 percent of all chemicals, and 12.7 percent of all rubber.

Not all farmers would elect to take the 25 percent of gross income allowance, in all probability. The farmer, could be depended upon to choose whichever method would be most advantageous to himself in the long pull.

But this amendment would be of invaluable help to the small, independent farmer whose net income has not permitted him to mechanize his operations and reduce his costs, or who is attempting to farm with, in many cases, worn-out machinery. The farmer with 160 acres, which is just about the average in Illinois today—158.9 in 1950—hasn't sufficient annual net income to purchase adequate machinery if he must amortize his investment over a 10-year period.

Rather, he has to borrow at the bank, pay an average of 5.5 percent interest on his loan and replace his machinery as it becomes no longer usable.

Not all farmers would replace all the machinery now on farms. The farmer is one of our most prudent investors and

careful users. Therefore, it must not be expected that he would seek to replace perfectly good and usable machinery. This amendment is intended to help the farmer obtain machinery, out of his own pocket, when he needs it, by providing a quicker tax allowance than is now granted.

It would, I submit, put the farmer on more equal basis with those others to whom we are granting accelerated tax writeoffs.

It would encourage him to modernize and make more economical his farm operations.

It would enable him to decrease his borrowings from the banks, and thereby lessen his overhead load of interest charges.

It would enable him better to follow out acceptable soil conservation and farm practices. And by giving the farmer an incentive now to convert to machinery or replace that which is worn out, it would help to reestablish purchasing, production, and employment in the farm-equipment industries.

In October of 1952, I saw the first beginnings of economic setback hit in the farm-equipment industries of Illinois, and from there the shock traveled over into other industries such as steel, coal, automobiles, and consumer goods. I believe that this amendment would do much to speed a return to full prosperity in all industries.

It is impossible to estimate the amount it would deprive the Government of in taxes. Whatever that amount might be, it is equally impossible to tell how much it might return to the Treasury through persons put back on jobs and, hence, returned to the individual income-tax rolls, through dealer and corporation profits as business is improved.

Aside from all of that, it seems to me it is a matter of simple equity to attempt, while we are at this tax job, to establish the farmer, who after all is at the foundation of our economic system, on a firm basis. I submit that the attempt should be made, and it is in that spirit that we have offered this amendment.

Under the proposal which I am offering in conjunction with the Senator from Iowa [Mr. GILLETTE], and the Senator from Minnesota [Mr. HUMPHREY] up to one-fourth of gross income could be used from which the cost of farm machinery could be charged off in a single year. The farmer could elect either to take the present depreciation schedules as accelerated under the new bill, or he could charge off the entire cost of the farm machinery in the current year up to 25 percent of gross income.

I may say that something like this same principle was put into the bill at my suggestion by the Committee on Finance concerning the conservation of water supply on the farm, and I want to thank the chairman of the committee for his courtesy and foresight in accepting that amendment, which I think will do something to conserve soil and the farm water supply. I hope that in view of the very difficult farm machinery problem the chairman of the committee will be willing to accept the amendment which the Senator from Iowa, the

Senator from Minnesota, and the senior Senator from Illinois now propose.

Mr. MILLIKIN. Mr. President, the distinguished Senator from Illinois was good enough to furnish the Senate Finance Committee with his views on a number of questions, including the one which he has just been discussing. The Senate Finance Committee gave very careful consideration to his views, as did also the staff of the committee. The Senator and I have quarreled a little bit about bringing up proposals on the floor initially and not giving the committee a chance to be advised concerning them. So I said to the committee, when we received the Senator's letter, "For goodness sake, I do not want to be put in a hole in connection with this matter, and I have advised the Senator to appear before the committee. This is in the nature of an appearance. Let us give his request the most serious consideration." That, I assure the Senator, was done.

The committee did not feel it could go into all the details of the Senator's suggestion, but it did do a lot of things for the benefit of the farmers. The farmer has the benefit of accelerated depreciation; he has special privileges as to storage—

Mr. DOUGLAS. But the committee did not put in the storage provision; it was put in last night by a bill sponsored by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Iowa [Mr. GILLETTE], and myself. So the Senator from Colorado should not claim credit for something which was done on the floor.

Mr. MILLIKIN. I am not claiming credit for it. I am not much of a credit claimant. At least, if I do claim credit for anything, I do it indirectly; I do not like to be blatant about it.

Mr. DOUGLAS. The Senator is never blatant; he is always extremely subtle.

Mr. MILLIKIN. I do not want that, either.

Mr. DOUGLAS. One of the things that are so delightful about the Senator is his method of approach combined with his sledge hammer sense of humor.

Mr. MILLIKIN. I will say to the distinguished Senator that the Senate Finance Committee considered the request of the Senator from Illinois. I did not say that the things to which I was referring were done this year, but the whole complex of benefits to the farmer includes soil conservation, rapid amortization, and the other general benefits of the bill. I thought it was the general consensus of the committee that we had gone as far as was practicable at this time. There was a friendly feeling for measures benefiting the farmer.

Mr. DOUGLAS. In other words, there was friendship, but no action.

Mr. MILLIKIN. I challenge the statement that there was no action. We have given accelerated depreciation to farm machinery. Accelerated depreciation on farm machinery is very important to the farmer. There is already in the law beneficial provision as to storage bins. I really believe we have gone as far as we can go at this time. The committee

was not hostile; it was friendly. It was not hostile to the requests of the distinguished Senator from Illinois. I think we gave them very close consideration. I would think if he studied everything along this line contained in the bill on this subject, the Senator would not say he was kicked in the face.

Mr. DOUGLAS. I would never charge that I had been kicked in the face. "Beneath the bludgeoning of fate, my head is bloody but unbowed."

Mr. MILLIKIN. I would not want the Senator's head to be either bloody or bowed.

Mr. BUSH. Mr. President, can the Senator tell us generally what are the terms of payment for equipment sold now?

Mr. DOUGLAS. Generally, 3 years; and the average interest rate is 5½ percent.

Mr. BUSH. Does the Senator's amendment contemplate that if a man buys a piece of equipment for, let us say, \$1,000, he can deduct the whole \$1,000 on the date of delivery, regardless of the fact that he may not complete payment on the equipment for 3 years?

Mr. DOUGLAS. He can deduct it up to 25 percent of his gross income.

Mr. BUSH. I understand that; but to the full extent, he can use the money he has saved on taxes and can go ahead and pay for the machinery over the succeeding year or two?

Mr. DOUGLAS. The Senator is correct. That would have the effect of reducing the indebtedness of farmers to lending institutions, and hence of reducing the interest charges which they must now pay.

Mr. LONG. Mr. President, will the Senator from Colorado yield me 3 minutes?

Mr. MILLIKIN. I yield 3 minutes to the Senator from Louisiana.

Mr. LONG. As I said earlier today, the Senate made itself ridiculous last night by accepting the amendment providing for an unlimited reduction in taxation for those who want to build grain-storage facilities. I am trying to get estimates on that item now. Our staff is contacting the Department of Agriculture. Because the amount was enormous, it is difficult to estimate.

The best estimate of our staff is that the particular amendment now pending will cost the Treasury \$540 million in the first year. This is the way in which that is calculated: The annual expenditures for farm equipment aggregate about \$2,100 million, with the present average depreciation rate of from 6½ to 13 percent on a declining balance. Then, deducting from that the additional 87 percent depreciation, the amount would run to \$1,800 million.

If it be estimated that the farmer was paying an average of a 30-percent tax rate, that would then mean there would be a revenue loss to the Federal Government, based on this amendment, of \$540 million.

Mr. President, the committee has given the farmer accelerated depreciation. The committee has attempted to work out a great number of proposals relating to soil conservation and other ex-

penditures on the farms, in order to give the farmer a particular tax preference and tax advantage.

But I submit that this particular amendment would increase the cost of the bill, as it presently stands, by almost 50 percent. The Government simply cannot stand that large a revenue loss. Therefore, I hope the amendment will not be agreed to.

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

Mr. LONG. I yield.

Mr. SMATHERS. Does the Senator from Louisiana have any idea of what the revenue loss would be from the amendment offered last night by the Senator from Minnesota [Mr. HUMPHREY]?

Mr. LONG. Because the cost is so astronomical, it will take some time for the staff to estimate the amount.

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

Mr. LONG. I yield.

Mr. DOUGLAS. I do not know where the staff of the committee or the Senator from Louisiana got the figures showing that farm machinery sold in this country amounted to \$2.1 billion. I have in my hand the agricultural statistics for 1953, which is the latest volume. I read from page 562. It shows that the total of manufacturers' shipments, for use in the United States—not for use overseas, but for use in the United States—amounted to \$1,681,000,000. The loss certainly would not be more than 20 percent of that figure, and, indeed, might not be so much as that. So instead of the \$500 million which the staff has conjured up, it would seem to me that the total would not exceed \$320 million or \$340 million.

Mr. LONG. The Senator starts with a beginning figure of 25 percent below the beginning figure given me by the staff.

Mr. DOUGLAS. Let the staff get the most recent figure.

Mr. LONG. If we accept the figures stated by the Senator from Illinois as beginning figures, we end with a revenue loss of about \$450 million.

Mr. DOUGLAS. I think the staff is operating on the figures of 1950, which were \$2,100,000,000, but they included, I may say, \$308 million for export. My figures are for 1952, which show that the shipments for use in the United States amounted to \$1,681,000,000. Even allowing a 20 percent figure for that, it would be only \$340 million. Actually the net cost would be much less than that because it does not take into account present depreciation practices nor trade-ins.

I think the Senator is completely off base on his farm storage figures; and I believe the Senator from Minnesota can reply to that statement.

Mr. LONG. Based upon the Senator's calculation, if we assume that the farmer was in an income-tax bracket where he paid as high as 30 percent, which is not an unreasonable assumption, then, even if we accepted the figure of the Senator from Illinois, his amendment would still cost about \$450 million a year, in addition to the \$1 billion, or \$1 billion-plus,

in the amendment offered by the Senator from Minnesota.

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

Mr. DOUGLAS. I yield.

The PRESIDING OFFICER. How much time does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I yield as much time as the Senator from Minnesota may require within the limits of 1 hour.

Mr. HUMPHREY. I wish to say to my good friend, the Senator from Louisiana—and this would seem to be understood in his line of argument—that to estimate that a farmer would be in the 30 percent income-tax bracket denies all known statistical evidence, because the average family income of the farmer in America is about one-half of the urban dweller's income; and the average farmer's income last year was \$852. How does the Senator from Louisiana get farmers into the 30 percent income-tax bracket?

Mr. LONG. The particular farm workers mentioned by the Senators from Minnesota do not need the benefit of such a provision as this. I am certain the Senator from Minnesota realizes that.

Mr. HUMPHREY. I might also point out to the Senator from Louisiana that sales of farm machinery and farm equipment are down about 17 percent. The largest bloc of unemployed workers is in the farm equipment and machinery area. So I may say to the Senator from Louisiana and to Senators who associate themselves with him that by fighting against the Douglas amendment they are simply saying they would rather have farm equipment sales off 17 percent, and have unemployed workers in the farm equipment business, than to have farmers able to buy equipment and thus to stimulate production and to create jobs. If ever there was an area in the American economy where there is need for some stimulant, it is in this particular area today.

I wish to direct my attention for a moment to the very unusual statement made by the Senator from Louisiana with respect to the staff's estimate as to the cost of the grain storage amendment being in astronomical figures. I will say the staff are star-gazing. That is why the figures are astronomical. They are star-gazing. They are off into the "wild blue yonder."

First of all, if the farmer does not build grain storage facilities, the Government will. If the Government builds them, the Government will pay every last red cent, plus, I may say, undoubtedly some extra charges, because if the Government builds grain storage facilities as it built section 608 apartments, undoubtedly there will be some extra charges.

If Mr. Farmer builds the extra grain storage facilities, it will not cost any more than if the Government builds them. The only other alternative is to have the grain trade build such facilities, and if they build them, the cost can be written off by accelerated depreciation. In fact, under a recent ruling, they can now get accelerated amortiza-

tion, and then charge the Government rates which will liquidate and finally amortize the cost of the whole expenditures, plus having obtained quick write-offs.

Let us face up to the situation. Only so much space is needed; and the amount needed will be determined by the size of the crop. If Senators want a price support program, they will have to provide storage facilities. We went over this subject last night. If we want a currency system, it is necessary to have banks. We cannot go around working out of a shoe box. If we want to have a grain storage program, it will be necessary to provide storage facilities.

The only question, then, is, Who is to build the facilities? Who is to build the great steel storage tanks which are necessary for the storage of corn, wheat, and other agricultural products? Who is to build the warehouses in which cotton will be stored? Will it be the Government? If the Government builds them, it will cost more than if the farmer builds them.

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

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The proposal of the Senator from Minnesota, in which the Senator from Illinois was very happy to join, is, therefore, a proposal against socialism; is it not?

Mr. HUMPHREY. I want to say there never was more free enterprise than there is in this proposal.

I should like to make a further comment. Every time there is a proposal in the Senate which would help someone who works for a living, someone who is not a coupon clipper, the staff digs up figures to indicate that it would almost wreck the Federal budget. I have never seen such economic archeologists. They can dig and dig and dig and come up with facts and figures which terrify the Senate. But when the public domain is practically being given away, when a depletion allowance is proposed on everything from clamshells to oil wells, it is then stated that it will not cost very much—just a few dollars—and we are told not to forget the poor little stripper well and the poor fisherman bringing in oystershells. We find many tears being shed for them, and the statement is made that it will not cost anything.

When there is a proposal for accelerated depreciation on everything from toothpicks down to doorknobs, we are told that is not going to cost the Treasury any money. Of course, it will cost the Government several billion dollars for a few years, but after that there will be manna from heaven, and the blessings of materialistic abundance will fall on the economy, and it will not cost us anything. But mention giving the benefit of an additional hundred dollars for exemptions for dependents, and we are told it will ruin the country and that the Treasury will not be able to stand the burden. Mention providing benefits in the way of farm grain storage, and we are told that something terrible will happen, and that it will cost the Treasury \$400 million.

I do not go so far as to say we have before us a giveaway bill, but, believe me, there are plenty of benefits in the bill; and I am of the opinion that if benefits are to be provided in the bill, the benefits ought to be relatively equally shared.

I happen to have some doubts about a vote which I cast yesterday regarding accelerated depreciation. I have said this privately to my colleagues. A provision for accelerated depreciation has real merit in terms of stimulating business activity. I think it is all a matter of how and when it is used, the time and the place.

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

Mr. HUMPHREY. I am always happy to yield to the Senator from Louisiana.

Mr. LONG. Does the Senator realize that the best estimates we can get indicate that the amendment which he is supporting would cost twice as much as the depreciation provision for everybody against which the Senator voted?

Mr. HUMPHREY. If the farmers had nothing else to do but build grain-storage bins, if they concentrated 24 hours a day, with their relatives, on building grain-storage bins, I do not believe the cost of the operation of the amendment would be equal to the cost of the accelerated-depreciation provision applied to everybody, from the largest factory to the smallest speakeasy. It would include everything; nothing at all would be left out. It would include everything from a table lamp to a wall fixture.

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

Mr. HUMPHREY. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. Without going into the depreciation features of the bill presently before the Senate, is it not a fact that the Office of Defense Mobilization, or other agencies of the Government, the names of which do not matter, granted enormous amounts in the way of accelerated depreciation on capital investments beginning in January 1951?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. I have checked with the Office of Defense Mobilization and find that the overall amount of accelerated depreciation certified since the beginning of the Korean war to be \$28.9 billion.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Does the Senator recall that the experts of the Treasury Department, or of the staff of the Joint Committee on Internal Revenue Taxation, made any protests because of those depreciation allowances?

Mr. HUMPHREY. Not that I recall.

Mr. DOUGLAS. They granted accelerated amortization on industrial plants which in a large percentage of the cases had at least no direct relation to national defense.

Mr. HUMPHREY. Many of them did not have a direct relationship, but had, as was stated, an indirect or auxiliary relationship.

Mr. DOUGLAS. In many cases accelerated depreciation was granted on plants which had either been started or on plants which had existed prior to the outbreak of the Korean war, and there-

fore were not induced to start operations in order to meet war needs.

Mr. HUMPHREY. I think the statement of the Senator is correct.

I desire to make my position clear. I am not opposed to all forms of accelerated depreciation. In fact, I have supported such a provision; but I think we seem to get a sort of high fever in the Senate when it looks as if an amendment will provide a remedy for a real problem. The junior Senator from Minnesota states again that we have to make a choice: We either want the Government to build the storage bins, the grain trade to build them, or the farmers to build them. It is all going to be written off. It is all going to be considered depreciation. It is merely a question of how and when it is done. Let us not kid ourselves: If the Government builds them it will cost more than if the farmers build them.

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

Mr. HUMPHREY. I yield to the Senator from Washington.

Mr. MAGNUSON. The Senator has made a good point about depreciation. I do not say it is right or wrong, but the power companies are writing off almost \$3 billion as depreciation on dams built for defense production facilities. If those plants can be written off in 5 years, the savings to the power companies will not be reflected in savings in rates charged to the people. The farmers have only so much to store, and it cannot amount to a great deal. This was quite an issue in 1948. I think the Senator from Minnesota is being very unselfish. He could make quite an issue of this question between now and November.

Mr. Humphrey. I want to make it clear now, because I do not want the RECORD to look too distorted as a result of the debate on accelerated depreciation. One reading the RECORD may be apt to think that we believe accelerated depreciation is all wrong. It is not wrong; it is basically good in a capitalistic economy, where new tools, plants, and equipment are needed. I have supported accelerated depreciation provisions, despite some doubt I may have had about the general program of accelerated depreciation or accelerated amortization—the tax certificates. I do not want the RECORD to appear to indicate that we are necessarily opposed to the general principle or project.

I may state further that having revenue losses in certain areas does not necessarily imply a bad situation. It may be well to have a loss of revenue in a particular area or in particular plants in order to save an industry. If there is a loss in revenue from that source I think very often it will be only a temporary loss of revenue which will ultimately result in an increase in revenue if the plant is saved.

The Senator from Illinois has an amendment which would provide such relief.

My friend, the Senator from Rhode Island [Mr. PASTORE], has stated that in his State there has been a serious situation because of the drop in the demand for luxury goods, jewelry, and such items.

If we take a look at the heavy-goods industry, the one which has suffered the greatest drop is the farm machinery and equipment industry. The losses to the farm equipment and machinery industry have been greater by far than the tax loss which would be sustained by adoption of this proposal. There should be considered the additional fact that there are thousands of unemployed persons in those areas, and the loss in that respect is greater than the amount of loss in revenue which would result from enactment of the amendment. So while there might be a tax loss, there might eventually be a profit as a result of saving the industry.

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

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not a fact that in farm equipment centers, unemployment has been so great that many workers who have been laid off have exhausted their unemployment benefits? In my State such benefits to an unemployed person end at the expiration of 26 weeks. Those persons who will then be completely without benefits will be dependent upon charity.

Mr. HUMPHREY. I think that has been true in certain selected areas, and the Senator comes from a State in which that is true.

Mr. DOUGLAS. It is true of Rock Island, Moline, and East Moline.

Mr. HUMPHREY. Apropos of the statement of the Senator from Illinois, I have in my possession an article published last week in a newspaper, which article shows that unemployment in the Twin City area had increased since 1953, and that the unemployment figure was primarily based upon lack of jobs or loss of jobs in the farm equipment and machinery industry.

Mr. President, I ask unanimous consent that the article which was published in the Sunday Minneapolis Morning Tribune of last week be printed in the RECORD at this point as a part of my remarks.

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

JOBLESS DOUBLE IN TWIN CITIES—1954 SURVEY FINDS 10,000 FEWER JOBS

(By Sam Romer)

Factory jobs in the Minneapolis-St. Paul metropolitan area are down 13,250 since last year, a drop of 8.7 percent, it was disclosed Saturday in a survey by the Minnesota Department of Employment Security.

The drop in manufacturing offset an annual gain of 3,260 jobs in construction and cut total nonagricultural wage employment in the area by 11,500.

The survey is conducted every 2 months by labor market analysis from the department's Minneapolis and St. Paul branches. It covers Hennepin, Ramsey, Anoka, and Dakota Counties, which have a total population of 1,183,689.

It is regarded as a more comprehensive analysis of employment trends than separate surveys conducted monthly by the two branches, since the area summary also includes large factories in suburban communities.

It is based on mid-May figures since study of the data makes necessary a timelag be-

tween getting the figures and issuing the report itself.

However, a forecast based on employer estimates shows little change anticipated this summer in manufacturing, in contrast to an anticipated 5,000 more jobs in construction.

The total Twin Cities area labor force in mid-May was put at 547,000 with 5 percent, or 27,300, unemployed. This contrasts with a labor force figure of 553,400 in mid-March with 6.1 percent, or 33,800, unemployed.

Employment between the 2 months remained stable, indicating that the cut in employment was caused by jobless leaving the metropolitan area, many to seek work in agricultural or resort industries.

Compared with a year ago, the mid-May labor force was up slightly but unemployment was more than double the 12,500 recorded in 1953 and total employment down about 10,000.

The cutback in manufacturing since last year was paced by a decline of 4,800 jobs from mid-March to mid-May. About half of this 2-month decline occurred in ordinance plants because of elimination of Government ammunition orders.

Compared to 1953, other classifications showing serious job declines include apparel, down 1,100 (15 percent) to 6,300, and non-electric machinery, down 3,700 (16 percent) to 19,200.

An annual decline of 730 jobs in shops making metal products and of 530 in electrical machinery plants was attributed almost entirely to an unemployment dip in these groups during the March-May period.

The drop in Twin Cities factory employment represents a cutback of 15,900 since the industrial decline began last September.

This is in contrast to the bright outlook in construction which picked up 3,260 jobs since mid-March to reach a 23,900 total in mid-May.

The recent strike in the building industry, which tied up all major construction in the area for 4 weeks, began after the mid-May statistics were gathered. But employer forecasts predicted another rise of about 4,000 jobs by mid-July and almost 5,000 by mid-September.

In the nonmanufacturing categories, serious declines were noted since last year in railroads (900 fewer jobs) and wholesale and retail trade (2,060 fewer jobs).

This was offset by a rise of 2,330 jobs in the service classification, mostly University of Minnesota employment and hospital hiring.

Some 11,000 more people will be looking for jobs during the summer months, mainly high school and university graduates, the survey disclosed. However, it predicted that this situation would return to the mid-May level by September.

The labor turnover figure, the survey said, "corroborates the continuation of the situation of the past 6 months—poor job hunting and plenty out hunting."

In manufacturing, the number of additions to the working force rose since mid-March from 2.4 to 2.7 per 100 workers, but were outnumbered by the mid-May separation rate of 4.4 per 100 workers. A year ago, manufacturers hired at the rate of 4.9 per 100 and lost personnel at the rate of 4.0.

In contrast to last year's experience when new hires accounted for 81 percent of total additions and 3 out of 4 separations were quits, the present ratio is 46 percent new hires and only 34 percent quits.

Mr. HUMPHREY. Mr. President, the article has a headline which reads, Jobless Double in Twin Cities—1954 Survey Finds 10,000 Fewer Jobs.

A reading of the article reveals where some of those job losses have been. The article points out that the labor force in

the Twin Cities in mid-May was at 547,000 as compared with a labor force of 553,400 in mid-March. Compared with a year ago, the mid-May unemployment figure was more than double because of the elimination of Government contracts. The Minneapolis and Moline areas, of course, have suffered a very serious drop in employment.

Mr. President, I have no more to say, but I think the point has been well made. If I need to return to the fray, I shall do so later.

Mr. LONG. Mr. President, will the Senator from Colorado yield 3 additional minutes to me?

Mr. MILLIKIN. I do.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG. Mr. President, in order to get the figures straight, let me say that I have before me a release of the United States Department of Commerce, dated November 24, 1953. In the release it is stated that for 1952, the purchase of tractors amounted to \$976 million; and the private purchase of agricultural machinery, except tractors, was \$1,161,000,000. That is the figure upon which our staff relies in arriving at the figure of \$2,100,000,000 as being the annual expenditure for farm equipment.

In addition, it is well for us consider that many of those who purchase farm machinery are in the very high income-tax brackets. In the main, the heavy buyers of farm machinery are in the upper income brackets. It is possible that the rate might be more than 30 percent; but, on the average, it is about 30 percent, in comparing the past depreciation allowance and the present depreciation allowance. So, Mr. President, it is our estimate that the amendment of the Senator from Illinois would cost \$540 million.

I should point out to the Senate that the Senate has been extremely generous in respect to general depreciation allowances. The Senate has allowed for the depreciation of farm machinery and has made allowance for accelerated depreciation of the things used on the farms, and provision has been made for a 5-year write-off on grain-storage facilities. In short, the tax treatment of those who make large incomes on the farms is most generous. It is unfortunately true that the smaller farmer would not receive the benefit of this provision, anyway, because the small farmer does not make enough income to pay a large income tax.

Therefore, Mr. President, in view of the generous treatment which has been given, and in view of the further fact that the committee has labored diligently to work out the most satisfactory solution possible and very favorable tax treatment for the farmers, I hope the amendment will be rejected.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield 3 minutes to me?

Mr. MILLIKIN. First, Mr. President, let me inquire how much time remains to me.

The PRESIDING OFFICER. The Senator from Colorado has 54 minutes remaining.

Mr. MILLIKIN. Then I am glad to yield to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 3 minutes.

Mr. MAGNUSON. Mr. President, not directly on the pending amendment, but quite apropos to the whole discussion, let me say that I have received many inquiries, as have many other Senators from the Western States, regarding clarification of what the bill does in the case of farmers who wish to improve their land. In my section of the country, this situation usually involves various aspects of soil conservation and, in particular, new land coming into cultivation, under irrigation developments. I wish to ask a question merely for the information of the hundreds of persons in the West who have inquired about this matter.

In this connection, let me read now from pages 33 and 34 of the committee report, which sets forth an explanation of what the Senate committee amendments will do and what will be done by the bill as passed by the House, in reference to this subject. I hope that in this way we shall clear up the uncertainty:

L. SOIL AND WATER CONSERVATION EXPENDITURES (SEC. 175)

(1) HOUSE CHANGES ACCEPTED BY COMMITTEE

Under present law expenditures made by farmers to improve their land are generally required to be capitalized rather than deducted as current expenses. The capitalized expenditures increase the farmers' tax basis for the land and are recoverable for tax purposes upon sale of the land. However, the Tax Court has held that substantial expenditures for the terracing of farms may be regarded as maintenance costs and, hence, be deducted as current expense.

The House bill permits farmers to elect to expense, rather than capitalize, expenditures for soil and water conservation, and for the prevention of land erosion, in respect of land used in farming. These expenditures include: those for the treatment or moving of earth, such as leveling, grading, and terracing; contour furrowing; the construction of diversion channels and drainage ditches; control and protection of water courses, outlets, and ponds; eradication of brush; and planting of windbreaks. These expenditures do not include the purchase or construction of facilities, appliances, and structures made of concrete, metal, and so forth, and thus subject to allowance for depreciation.

The deductions for soil and water expenditures for any 1 year are limited, however, to 25 percent of the gross income derived from farming. In any year in which actual expenditures of this type are more than the maximum deduction permitted, the excess of these expenditures may be carried over to following years.

The deduction for soil and water conservation expenditures is also limited to land which, prior to or at the same time as the expenditures for soil and water conservation are made, was or is used in farming by the taxpayer or his tenant.

Taxpayers must decide whether they are going to expense soil and water conservation expenditures in the first year after 1953 in which they have such expenditures, and must continue this policy with respect to subsequent similar expenditures unless they receive permission from the Secretary or his delegate to make a change.

(2) CHANGES MADE BY COMMITTEE

Amendments were adopted making it clear that the provision applies to earthen dams

not subject to depreciation and to the construction, as well as the control and protection, of water courses, outlets, and ponds.

Your committee also made the provision applicable for expenditures by farmers to satisfy special assessments of soil or water conservation districts to defray expenditures made by such districts which would be deductible under this section if made directly by the taxpayer.

The House bill also provided that any expenditures in excess of the 25 percent limitation should be added to basis until such time as they become deductible in a future year to which carried. Your committee omitted this provision as being unduly burdensome for taxpayers.

It is estimated that the soil and water conservation expenditure deduction permitted by this bill will reduce revenues in the fiscal year 1955 by \$10 million.

Let me point out that the part of the report, which states that—

The capitalized expenditures increase the farmers' tax basis for the land and are recoverable for tax purposes upon sale of the land—

Means, in other words, as a capital expenditures tax.

Furthermore, let me point out that in the report, the term "terracing of farms" includes a great variety of soil conservation work.

At this point I wish to ask the chairman of the committee whether it is correct to say that the next to the last paragraph on page 33 of the report states, in substance, that such expenditures are usually capital expenses.

Mr. MILLIKIN. Yes.

Mr. MAGNUSON. In short, does not this part of the committee report mean that the farmer is allowed to elect whether to have that expense treated as a capital expense or as a current expense?

Mr. MILLIKIN. The bill does that. The report states:

The House bill permits farmers to elect to expense, rather than capitalize, expenditures for soil and water conservation, and for the prevention of land erosion, in respect of land used in farming.

In other words, farmers can elect whether to handle such expenses as capital expense or as current expense.

Mr. MAGNUSON. Yes; and I think that is fair.

Mr. MILLIKIN. In this particular case we would give the farmer who is improving his land—and this applies particularly to the West—an election.

Mr. MAGNUSON. I think that is very useful, and I think the report means exactly what it says.

Mr. MILLIKIN. Yes; and it is very useful.

Mr. PURTELL. Mr. President, will the Senator from Colorado yield 3 minutes to me, so that I may, out of order, answer a question which was asked of me on the floor yesterday?

Mr. MILLIKIN. I yield 3 minutes for that purpose.

The PRESIDING OFFICER. The Senator from Connecticut may proceed.

Mr. PURTELL. Mr. President, yesterday, when the amendment proposed by the Senator from Vermont [Mr. FLANDERS] and other Senators, including myself, was being discussed, question

arose concerning the disposition of the assets of a nonprofit organization in the event of its dissolution.

I have since discussed this matter with Mr. Norman Sugarman, Assistant Commissioner of Internal Revenue. He has assured me that before the Bureau of Internal Revenue would grant a favorable ruling with respect to the status of an organization as a nonprofit organization under section 101 of the code, it must be shown that in the event of the dissolution of a nonprofit organization, any assets, including real and personal property, held by the organization at the time of dissolution must be transferred to a similar nonprofit organization which has been approved by the Bureau of Internal Revenue as a nonprofit organization. In the event no other nonprofit organization was qualified to receive the assets, the assets would then be disposed of according to the laws of the State in which the nonprofit organization was chartered. It is my belief that in most of those cases, Mr. President, they would revert to the State.

I should like to make this point clear: Under no circumstances can the individual members comprising such a nonprofit organization benefit personally by the dissolution of the organization and the disposition of its assets. Although this amendment was adopted yesterday by the Senate, I wish the RECORD to show that the question posed during the debate has been, I feel, satisfactorily answered.

Question was also raised on the floor as to lessee's having an option to buy the property eventually. I understand that if the lease contained such a provision, the Treasury Department would not approve any tax deduction. In other words, such an arrangement would disqualify the nonprofit organization from participating under this amendment.

Mr. President, I thank the Senator from Colorado for yielding this time to me.

Mr. BUSH. Mr. President, before a vote is taken on the pending amendment, I ask unanimous consent that there may be a quorum call in order to alert Senators, without the time being charged to either side.

Mr. MILLIKIN. Mr. President—
The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. MILLIKIN. May I ask what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. MILLIKIN. Did not the Senator from Connecticut suggest the absence of a quorum?

The PRESIDING OFFICER. The Chair did not so understand.

Mr. BUSH. Mr. President, I ask unanimous consent that there may be a quorum call without the time being charged to either side. If the Senate is ready to vote, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Fulbright	McCarran
Anderson	George	Millikin
Barrett	Goldwater	Monroney
Beall	Gore	Morse
Bennett	Green	Mundt
Bowring	Hayden	Murray
Bricker	Hendrickson	Neely
Bridges	Hickenlooper	Pastore
Burke	Hill	Payne
Bush	Holland	Potter
Butler, Md.	Humphrey	Purtell
Byrd	Ives	Robertson
Capehart	Jackson	Russell
Carlson	Johnson, Colo.	Schoeppel
Case	Johnson, Tex.	Smathers
Chavez	Kefauver	Smith, Maine
Clements	Kennedy	Smith, N. J.
Cooper	Kilgore	Sparkman
Cordon	Knowland	Stennis
Crippa	Kuchel	Symington
Daniel	Langer	Thye
Dirksen	Lehman	Upton
Douglas	Lennon	Watkins
Duff	Long	Welker
Dworshak	Magnuson	Williams
Ervin	Malone	Young
Ferguson	Mansfield	
Frear	Martin	

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the senior Senator from Wisconsin [Mr. WILEY] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Missouri [Mr. HENNING], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

Is any further time desired for consideration of the amendment offered by the Senator from Illinois?

Mr. MILLIKIN. Mr. President, I hope the amendment of the distinguished senior Senator from Illinois will be defeated. The Senator had sent to the Committee on Finance his recommendation with respect to farm tax legislation, and the committee gave very careful consideration to what he had to say. The pending amendment is a part of the complex of suggestions he made. The impression seems to prevail in some quarters—and I do not mean that the impression has been sought to be given by the distinguished Senator from Illinois—is that the pending bill is somewhat cavalier about the problem of the farmer.

I wish to say first of all, Mr. President, that that is not true. In this bill we have provided for accelerated depreciation which goes to the farmer just as it goes to everyone else. I am talking about farm machinery. Such machinery has the same rapid writeoff provision as is given to other machinery. We have in the bill soil and water conservation benefits for the farmer.

The farmer has always been pestered and annoyed by bookkeeping requirements. We allow a hybrid type of accounting, which will recognize the way the farmer does it, not the way that someone else wants him to do it. We have the \$600 exemption for dependents of farmers, which the farmer no longer loses by virtue of the fact that his children on the farm earn some money.

We come now to the Senator's specific amendment. The proportion of expenditures on equipment is about \$2.1 billion a year. Its present depreciation rate is 6½ percent. Under this bill the rapid depreciation provided amounts to 13 percent. That is, it is available to the farmer. The extra depreciation provided by the Senator's amendment is about 87 percent. It would result in an extra deduction of \$1,800,000,000. Assuming a 30 percent tax rate, there would be a loss, because of the Senator's amendment, of \$540 million. I suggest that it would be a very dangerous amendment to accept, because we are getting into very big money, and that much money ought not to be added to the deficit of the United States Treasury.

If any attempt had been made to squeeze the farmer, and if we had not treated him liberally in the bill, we might have a different viewpoint on the Senator's amendment. However, I have listed 4 or 5 or 6 provisions which are to the distinct benefit of the farmer. We have been generous with the farmer. We already have a law on the books which permits a quick write-off of bin storage. We also have a method whereby the farmer can accelerate the depreciation on his farm machinery.

Mr. President, I just received a compliment which I was not supposed to hear. It has so overwhelmed me that I have lost the continuity of my thought.

The farmer, as I say, benefits, as do other people who have children who are employed. He retains his \$600 dependency allowance. We give him accelerated depreciation on his farm machinery. We give him accelerated depreciation, in effect, on his bin storage. We give him soil and water conservation benefits. I suggest that that is as much as can be done at the present time in view of our budgetary situation.

I do not mean to say this in a mean sense, but it is irresponsible that we should sit here and add by this amendment, a half billion dollars to the cost of our budget, when the bill and preceding legislation provide the things I have stated.

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

Mr. MILLIKIN. I yield.

Mr. CARLSON. Another item which I believe is of advantage to the farmer is that under the old law he would have to file his income tax return on January 15, unless he wanted to file a declaration of estimated income, and we have increased that time to February 15.

Mr. MILLIKIN. That is correct. The farmers wanted that in the bill. They wanted the things we have provided for them in the bill. There are many other

things all the way down the line. This is a revision bill. We would like to have as nearly perfect a bill as we can have, but I venture to predict—and I have already promised that we will hold some hearings next year with respect to some features of taxation—that we will be working on taxes as long as there is anyone alive in the Senate, and thereafter, because this country is going to live a long time.

I believe, in view of our budgetary situation, no matter how desirable a 1-year write-off on machinery might be, the fact of the matter is that very little farm machinery exhausts itself in a year's time. No matter how desirable it may be, it is not practicable to do it, because of the sheer cost of the proposal. It would cost \$540 million. I suggest that, from the standpoint of our budget, it would be very unwise for the Senate to adopt this amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. DOUGLAS. Mr. President, since many Members are present in the Chamber who were not present when the amendment was originally explained, I hope I may be forgiven if I summarize it briefly.

The amendment gives the farmers the option of charging off in a given year the cost of new farm machinery purchases up to 25 percent of the gross income of the farmer.

This would make it easier for the farmers to purchase farm equipment, since even with the accelerated rates which have been provided in the bill the amount which is now permitted to be written off annually is relatively small, since the physical life of a tractor is placed at 10 years, and the physical life of many other items of farm equipment is placed at more than 10 years, with an average for all farm equipment of 15 years.

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

Mr. DOUGLAS. I yield.

Mr. DANIEL. Am I to understand the Senator to mean by that statement that depreciation cannot be taken on a tractor, for instance, in a lesser period than 10 years?

Mr. DOUGLAS. Does the Senator mean under the proposal I am making?

Mr. DANIEL. No; under the present law, I understood farm machinery could be depreciated over a 5-year period at 20 percent a year.

Mr. DOUGLAS. I may say to the Senator from Texas that I have before me Bulletin F entitled "Income Tax Depreciation and Obsolescence; Estimated Use for Lives and Depreciation Rates." It was published by the United States Treasury Department, Bureau of Internal Revenue. On pages 12 and 13 are shown as I have stated the physical lives used as a basis for depreciation. In the case of tractors it is 10 years. In the case of rakes, it is 15 years; shredders, 15 years; farm mowers, 14 years; grain harvesters, 15 years; grain binders, 14 years.

Mr. DANIEL. I am asking only my question to obtain information.

Mr. DOUGLAS. I understand.

Mr. DANIEL. Because I have understood, and I have checked the matter with several Senators from agriculture areas, and they understand it to be true also, that even today it is possible to depreciate tractors and other farm machinery over a 5-year period, taking 20 percent a year.

I should like to know if that is correct. If the Senator from Illinois cannot tell me, I wonder if anyone else can, because that information, I think, is very important in connection with the amendment.

Mr. FREAR. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I shall be glad to yield, but may I say that this is right "out of the horse's mouth," so to speak, right out of the sources of the Treasury, and the depreciation rates are based upon the estimated physical life of various units of farm equipment. I should like to show the Senator from Texas and the Senator from Delaware this table.

Mr. FREAR. But I should like to say to the Senator, if he will yield—

Mr. DOUGLAS. Certainly.

Mr. FREAR. This is a guide for the internal revenue agent, when he analyzes or examines the returns. He does not have to use that formula. The general custom is to depreciate tractors at the rate of 20 percent a year.

Mr. DOUGLAS. I am not certain whether the Senator from Delaware is correct, but, if so, then the entire basis upon which the Bureau of Internal Revenue is supposed to act is thrown overboard, and the judgment of the individual agent is substituted for the rules laid down. While it is true that agents can use their judgment, and that the rules are not prescribed for use in every case, they are intended as a guide from which correct rates may be determined in the light of experience.

Mr. FREAR. That is correct.

Mr. DOUGLAS. The life of tractors is stated as 10 years; binders, 14 years to 5 years; grain harvester, 15 years. If these figures are not correct, we might as well throw the formula into the ashcan.

Mr. FREAR. May I ask the Senator the date of that formula?

Mr. DOUGLAS. It was published in 1942, but was it given to us as currently correct by the staff of the Joint Committee on Internal Revenue Taxation. Unless we can get a disavowal from the Joint Committee on Internal Revenue Taxation, I assume these are the rates presently applicable.

Mr. FREAR. They are not applicable in Delaware.

Mr. DOUGLAS. I think a member of the staff is on the floor, so if they wish to disavow this child, they may do so.

I pause for a moment to wait for the disavowal of parentage to come. Not hearing any—

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Does the Senator from Colorado wish to disavow it?

Mr. MILLIKIN. This material was supplied me by the staff. I have given

the figures heretofore. The present depreciation rate for farm machinery is an average of 6½ percent.

Mr. DOUGLAS. That is what the Bureau says is the average, namely a 15-year period. This is stated in the table I have previously inserted in the RECORD.

So, Mr. President, the statement of the Senator from Colorado happens also to be the statement of the Senator from Illinois, and I welcome the Greeks when they bear gifts, because they do it so infrequently.

Mr. MILLIKIN. I was not casting any aspersions on either the Senator or the technical staff. I am pointing out that the average is 6½ percent.

Mr. DOUGLAS. That would be the average for 15 years. I may say that Mr. Oram, of the joint committee staff, has just called the Bureau of Internal Revenue. They state that a 5-year depreciation period for a tractor is very rare. A study by Mr. E. Callahan, an agricultural economist at Rutgers University, indicates that the actual life of large tractors is 8 to 15 years, and that of a small tractor is 5 to 12 years.

Mr. FREAR. I deny that that is the same as 6½ percent.

Mr. MILLIKIN. I mentioned the 6½ percent. If we double that under the acceleration provided in the bill it is 13 percent. The amendment of the Senator from Illinois adds a much larger percentage in 1 year, and there would be a loss of revenue of \$550 million by the Senator's amendment.

Mr. DOUGLAS. Mr. President, may I point out that the farm-equipment industry led the country into the present recession, and that unemployment and reduced production are still prevalent in the farm equipment areas. There has been no permanent pickup in the farm-equipment industry. This is true not merely in Illinois, but I have on my desk a statement by the Senator from Iowa [Mr. GILLETTE], which I ask unanimous consent to have included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DOUGLAS. I should like to point out that unemployment is increasing in other States. It is extremely high in a number of Wisconsin cities, such as Kenosha, La Crosse, Superior, and Racine, many of which are important employment centers.

This amendment would permit the cost of farm equipment purchased in a given year to be charged off, subject to the 25-percent gross income limitation. It is limited in application to 2 years. It is designed to meet a special situation and to get the farmers and the farm equipment industry over the hump.

My good friend from Colorado produced, out of a hat, without giving the primary source of the statement, the estimate that my amendment would cost in excess of \$500 million.

I may say, in the first place, as I turn to the figures in the agricultural statistics for 1953, at page 562, that the staff has apparently been guilty of including farm equipment for industrial and military use and not merely for agricultural

use. If we take the figures for agricultural use it will be found, in the third column, that in 1952 the total shipments for use in the United States amounted to \$1,681,000,000. The actual sales were less than that, because many farm equipment dealers were left with equipment on their hands which they could not dispose of, so I think the total amount would not exceed \$1,500,000,000.

Furthermore, the Senator from Colorado does not take into account the fact that there is some current depreciation which is now charged off, nor the fact that there were trade-ins which would be excluded from the benefits provided by our amendment. He uses the figure of a 30-percent average tax without stating its source. He pulls it out of a hat, like a magician pulling a rabbit or a pair of false whiskers out of a hat. Then he comes up with a total figure of \$500 million.

In my judgment—and this is simply a curbstone opinion—the total cost probably would not exceed \$100 million, but it would be a great stimulant to the farm equipment industry and would be of distinct benefit to the farmer.

I hope very much that the amendment will be adopted.

EXHIBIT 1

I have joined my colleagues, the Senator from Illinois and the Senator from Minnesota, in sponsoring this amendment for two reasons.

The first is that the drop in farm income has caused a great number of farmers to postpone buying new farm equipment. The drop in income, coupled with no corresponding drop in the prices farmers must pay for the things they buy, has made farmers hesitate to make new capital investments. Furthermore, the understandable uncertainty about the future of the present farm program and therefore about the future of the farm economy has made farmers even more cautious. This amendment would provide a powerful incentive to our farmers to resume the replacement of used farm machinery.

The second reason is that a major consequence of the drop in purchases of new farm machinery has been to bring about a depression in the farm equipment industry, to cause heavy unemployment in that industry, and to harm seriously the economies of communities where farm machinery factories are located. This amendment will greatly benefit the farm equipment industry, by giving an incentive to farmers to purchase new equipment. It should thereby help bring about a reduction in the unemployment rolls in States where farm machinery is manufactured, and in turn cause a considerable improvement of the entire economy of those areas.

The Senator from Illinois has given the Senate a full explanation of the purpose and operation of the proposed amendment. It gives farmers a choice between amortizing the cost of new farm equipment over an average 15-year period, or of deducting the cost of new machinery up to the equivalent of 25 percent of their gross income. If a farmer's purchase of new machinery exceeds the amount of one quarter of his gross income in the first year, he can carry over that excess and apply it against his tax the following year.

Let us take a simple example. A farmer can buy a new tractor at the present time for around \$1,520. Under the present internal revenue law he can amortize the cost of that tractor for the next 10 years at the rate of \$152 each year. The pending bill, as I understand it, would speed up that process to a certain extent by allowing the

farmer to write off \$304 the first year, and in each succeeding year 20 percent of the diminishing balance until he had deducted the full cost of the tractor.

While in this respect the bill is an improvement over the existing law, it does not provide the strong, immediate boost to the purchase of farm equipment which our farmers, our agricultural implement workers, our farm machinery industry, and the general economy in many States all badly need.

Under the amendment we are offering, a farmer who had a gross income of \$6,080 or above would be able to write off the total cost of a new \$1,520 tractor in the first year, if he chose to do so. Or he could write off a lesser portion of it the first year and carry over the remainder for writeoff the following year. A farmer buying a \$1,520 tractor who had a gross income of less than four times the price of the tractor, that is, less than \$6,080, could, if he selected the method proposed by our amendment, write off a large proportion of the tractor's cost the first year, and the remainder the following year.

The average gross income of farmers throughout the United States in 1952, per farm, was \$5,699, which is just slightly less than the gross income that would permit writing off the full amount in the first year of a tractor priced at \$1,520. This means that the average farmer, if this amendment were adopted, could deduct almost the entire cost of a new tractor from his tax bill the first year.

I speak of tractors, but farmers need many other items of machinery for use on the farm that do not cost upward of \$1,500. These could be written off easily in the first year under our amendment, even by farmers having a gross income below the national average.

I call attention to some significant figures. The Bureau of Labor Statistics reports the following concerning employment in agricultural machinery and tractors:

	All employees	Production workers
January 1953.....	182,700	140,300
March 1954 (peak).....	187,000	145,000
March 1954.....	149,100	109,600

These figures show a drop of 38,000 in total employment in this industry, including a drop of some 34,000 in production workers.

The Bureau of Employment Security of the Department of Labor lists in its area classification on labor supply the following information about my State of Iowa. Among group 4A, which includes areas having 12 percent or more unemployment and which is the most seriously affected group, are listed Burlington and Ottumwa. The figures are based on present unemployment and projected through mid-July.

The report states about Burlington: "Sharp rise in joblessness in past year occasioned principally by ordinance layoffs. Electrical and farm machinery also off."

Concerning Ottumwa the report says: "Sharp employment decline during the past year due to sagging demand for farm implements and layoffs in meatpacking, construction, railroads, and trade." Ottumwa was added to the 4A group only this past April.

No Iowa city was on the 4A, or more serious, list in January 1953. No city in Wisconsin, for example, was listed in this classification in January 1953, but today Beaver Dam, Kenosha, LaCrosse, Superior, and Racine are so listed, several of them cities with large farm implement works. In Illinois there were but 2 cities listed in group 4 in January 1953. Today there are 7, 5 of them in the worst category, group 4A. In-

cluded are major production centers of farm machinery, such as Peoria, Joliet, Rock Island, and Moline, the latter being part of the industrial area that includes Davenport, Iowa.

May I repeat here what the Senator from Illinois said in his speech on this bill on Tuesday of this week, page 9152 of the Record. He is speaking of the farm implement industry:

"The farm machinery production for April 1954 was about 22 percent below that of April a year ago, having dropped from an index 109 to 85, without seasonal adjustment." That is, production is down 22 percent since April 1953.

He said further concerning Rock Island, Moline, and East Moline, which with Davenport in my State of Iowa, make up the famous Quad Cities: "If my informants are correct, and I believe they are, the companies there are once again beginning to lay off employees in appreciable numbers. The spring pickup in the farm equipment industry is virtually over, and that manufacturing center is back to approximately where it was last winter with the cash reserves of workers having been used up, or largely used up, in the meantime."

Think of the encouragement this amendment will give to farmers needing new equipment to go straight to the nearest dealer and order a tractor, or a plow, or a cultivator, or a corn picker, or some other item of capital equipment for use on his land. Think of the stimulus such a buying wave would give to one of the industries most directly and most seriously hurt by the decline in farm income. Think of the boost in employment that production of new machinery to meet the new demand would afford. Think of the beneficial effect of this renewal of economic vigor on other business of the communities where farm machinery is produced.

From every point of view, this amendment can only serve to stimulate and revive a portion of our economy that has been badly hit. As has been pointed out, the pending bill accords tax relief and benefits to many groups in our economy. I do not here quarrel with these benefits, but I do say that the farmers are also entitled to fair treatment, particularly when such treatment is bound to have a highly desirable effect on much wider circles of the population.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and other Senators.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DOUGLAS. I suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

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

Mr. KNOWLAND. Has any business been transacted since the last quorum call?

The PRESIDING OFFICER. No.

Mr. KNOWLAND. I make the point of order that a quorum call is not in order.

Mr. DOUGLAS. I appeal from the ruling of the Chair.

The PRESIDING OFFICER. The Chair has not yet made his ruling.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

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

Mr. DOUGLAS. Did not the Chair rule that no business had been trans-

acted? Was not that the ruling of the Chair?

The PRESIDING OFFICER. A quorum call is not in order.

Mr. DOUGLAS. I submit that a quorum call is in order, unless I have been overruled by the Chair.

Mr. ANDERSON. Mr. President, I submit that if the Senator has been overruled by the Chair, business then has been transacted, and a quorum call is in order.

Mr. DOUGLAS. I now appeal from the ruling of the Chair that no business has been transacted since the previous quorum call; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The question is, Shall the ruling of the Chair be sustained? As many as are in favor of sustaining the ruling of the Chair will say "aye"; those opposed, "no."

The "ayes" have it, and the ruling of the Chair is sustained.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Frear	Mansfield
Anderson	Fulbright	Martin
Barrett	George	McCarran
Beall	Goldwater	Millikin
Bennett	Gore	Monroney
Bowring	Green	Morse
Bricker	Hayden	Mundt
Bridges	Hendrickson	Murray
Burke	Hickenlooper	Neely
Bush	Hill	Pastore
Butler, Md.	Holland	Payne
Byrd	Humphrey	Potter
Capehart	Ives	Purtell
Carlson	Jackson	Robertson
Case	Johnson, Colo.	Schoeppel
Chavez	Johnson, Tex.	Smathers
Clements	Kefauver	Smith, Maine
Cooper	Kennedy	Smith, N. J.
Cordon	Kilgore	Sparkman
Crippa	Knowland	Stennis
Daniel	Kuchel	Symington
Dirksen	Langer	Thye
Douglas	Lehman	Upton
Duff	Lennon	Watkins
Dworshak	Long	Welker
Ervin	Magnuson	Williams
Ferguson	Malone	Young

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment proposed by the Senator from Illinois [Mr. DOUGLAS], on behalf of himself and the Senator from Iowa [Mr. GILLETTE] and the Senator from Minnesota [Mr. HUMPHREY], which will be stated.

The CHIEF CLERK. On page 54, after section 175, it is proposed to insert a new section, as follows:

Sec. 176. Farm machinery expenditures

(a) In general: For purposes of this subtitle, a taxpayer engaged in the business of farming may treat expenditures which are paid or incurred by him during the taxable year to acquire farm machinery as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

(b) Definition of farm machinery: For purposes of this section, the term "farm machinery" means only machinery designed primarily for use in the conduct of farming operations and, regardless of the use for which so designed, is used by the taxpayer primarily in the conduct of his business of farming.

(c) Limitation: The amount deductible under subsection (a) for any taxable year

shall not exceed 25 percent of gross income. If for any taxable year the total of the expenditures treated as expenses which are not chargeable to capital account exceeds 25 percent of gross income, such excess shall be deductible for the succeeding taxable years in order of time; but the amount deductible under this section for any one such succeeding taxable year (including the expenditures actually paid or incurred during the taxable year) shall not exceed 25 percent of gross income.

(d) Election of taxpayer:

(1) Time of election: The election by the taxpayer to treat expenditures to acquire an item of farm machinery as expenses not chargeable to capital account shall be made at the time of filing his return for the first taxable year in which such expenditures are paid or incurred.

(2) Scope of election: A separate election shall be made by the taxpayer with respect to each item of farm machinery and such election shall apply to all expenditures paid or incurred in any taxable year to acquire such item.

(3) Failure to make election: If the taxpayer fails to make an election to treat expenditures to acquire farm machinery as expenses not chargeable to capital account at the time prescribed in paragraph (1), and in the manner prescribed by the Secretary or his delegate, such failure shall be considered as an election not to so treat such expenditures.

(c) Special rules:

(1) Basis of property: Notwithstanding the provisions of section 1012 (relating to basis of property), the basis of any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a) shall be \$0.

(2) Treatment of gain as ordinary income: In the case of the sale or exchange of any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a), any gain recognized from such sale or exchange shall be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231.

(3) Disallowance of deduction for depreciation: No deduction under section 167 (relating to deduction for depreciation) shall be allowed with respect to any item of farm machinery for the acquisition of which a deduction has been allowed under subsection (a).

(g) Effective date: This section shall apply only to expenditures paid or incurred to acquire farm machinery which is acquired after December 31, 1953, but before December 31, 1955.

Mr. DOUGLAS. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. ANDERSON (when his name was called). Mr. President, I ask to be excused from voting. I have already purchased two tractors for my farm this year, and I have a direct interest in the outcome of the vote.

The PRESIDING OFFICER. Without objection, the Senator from New Mexico is excused from voting.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the senior Senator from Wisconsin [Mr. WILEY] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and

the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Missouri [Mr. HENNING], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

I announce further that on this vote the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting the Senator from Louisiana would vote "nay" and the Senator from Iowa would vote "yea."

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Chavez	Kilgore	McCarran
Cooper	Langer	Morse
Douglas	Lehman	Mundt
Humphrey	Magnuson	Murray
Jackson	Mansfield	Neely

NAYS—65

Alken	Ferguson	Martin
Barrett	Frear	Millikin
Beall	Fulbright	Monroney
Bennett	George	Pastore
Bowring	Goldwater	Payne
Bricker	Gore	Potter
Bridges	Green	Purtell
Burke	Hayden	Robertson
Bush	Hendrickson	Schoeppel
Butler	Hickenlooper	Smithers
Byrd	Hill	Smith, Maine
Capehart	Holland	Smith, N. J.
Carlson	Ives	Sparkman
Case	Johnson, Colo.	Stennis
Clements	Johnson, Tex.	Symington
Cordon	Kefauver	Thye
Crippa	Kennedy	Upton
Daniel	Knowland	Watkins
Dirksen	Kuchel	Welker
Duff	Lennon	Williams
Dworshak	Long	Young
Ervin	Malone	

NOT VOTING—15

Anderson	Hennings	McCarthy
Eastland	Jenner	McClellan
Ellender	Johnston, S. C.	Russell
Flanders	Kerr	Saltonstall
Gillette	Maybank	Wiley

So the amendment offered by Mr. DOUGLAS, for himself and other Senators, was rejected.

TEMPORARY APPROPRIATIONS,
1955

Mr. BRIDGES. Mr. President, Congress is faced with the necessity of making temporary appropriations for the fiscal year 1955, for the mutual security and foreign aid programs and for similar programs of various kinds, including Korean relief, relief in occupied areas, and other programs coming under measures later to be considered by the Senate.

So, Mr. President, I now ask unanimous consent that the unfinished business be temporarily laid aside; and from the Committee on Appropriations, I report favorably, without amendment, the joint resolution (H. J. Res. 552) making temporary appropriations for the fiscal year 1955, and for other purposes; and

I submit a report (No. 1708) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BRIDGES. Mr. President, this joint resolution appropriates for the Mutual Security Programs, \$290 million, to be derived from unobligated balances of appropriations heretofore made for such purposes. The purpose is to enable these programs to be carried on for 30 days. Of course, these programs do not come under the regular appropriation bills; and the appropriations for them will subsequently be acted on by Congress.

I should like to state that the members of the committee feel very strongly that the Mutual Security Agency, or the Foreign Operations Administration—FOA—as it is now officially called, should not institute any new programs of offshore procurement during this period of time. It may carry on existing programs; but during this 30-day period it should not institute any new programs; and the remarks now being made in the Senate—unless there is objection to them—certainly should be given due notice by the FOA, just as if these remarks were set forth as provisions of the joint resolution.

Mr. HAYDEN. Mr. President—

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

Mr. HAYDEN. With the last statement made by the chairman of the committee, there can be no dispute. No new undertakings should be considered, since this money came over from the last fiscal year, and the Senate will subsequently have an opportunity to pass upon the entire program.

The only criticism that could be made of enactment of the joint resolution at this time is as to the sum fixed for administration expenses; namely, \$4 million. In my opinion, that is not quite sufficient. But I believe we can care for that item in a subsequent deficiency bill.

Mr. BRIDGES. Let me say that the committee has reported this measure in form identical to that in which it was passed by the House of Representatives. Thus there will be no need for a conference. If the Agency can show that it needs additional funds for administration during the 30-day period, and if it makes such a showing in connection with the supplemental bill, we will certainly consider it.

Mr. CHAVEZ. Mr. President—

Mr. BRIDGES. I yield to the Senator from New Mexico.

Mr. CHAVEZ. As I understand, the Senator from New Hampshire is informing the Senate and the country that at this particular period of time, no new offshore procurements should be initiated by this Agency.

Mr. BRIDGES. That is correct; no new offshore procurements will be initiated.

Mr. GEORGE. Mr. President, let me inquire whether the joint resolution includes all the unexpended balances.

Mr. BRIDGES. No; it will be seen that on page 2, in line 11, \$290 million is appropriated.

Mr. GEORGE. Is that all that is appropriated?

Mr. BRIDGES. That is all that is appropriated and all that can be used.

It is my understanding that approximately \$2.6 billion is unobligated; but this joint resolution allows the expenditure of up to \$290 million for the 30-day period.

Mr. GEORGE. I have no objection to that, but I would have very serious objection if it were proposed to appropriate all the unexpended and unobligated balance. In the Foreign Relations Committee I expect to offer an amendment to carry into effect the proposal that the unexpended balance, or so much of it as remains, shall be made available to the President without regard to functions and without regard to areas in which it may be expended, but that the new money appropriated shall constitute the balance of the total appropriation. There is an unexpended balance of between 9 and 10 billion dollars. Much of it may be contracted, but to the extent that it is unobligated, this year's appropriation ought to be cut down by every penny that can be made available to the President by giving him complete flexibility and authority to use it for any function, and to use it anywhere, notwithstanding any previous legislation on the subject. If the joint resolution deals only with the \$290 million, for the purposes stated, I have no objection to it.

Mr. BRIDGES. I assure the distinguished Senator from Georgia that it is limited to \$290 million of previously appropriated funds, and in no way opens the door to the complete use of all unobligated funds.

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

Mr. BRIDGES. I yield.

Mr. CHAVEZ. In the committee \$540 million was requested, was it not?

Mr. BRIDGES. That is correct.

Mr. CHAVEZ. The Appropriations Committee of the Senate agreed to the House figure.

Mr. BRIDGES. That is correct.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 552) was ordered to a third reading, read the third time, and passed.

REVISION OF INTERNAL REVENUE
LAWS

The Senate resumed the consideration of the bill (H. R. 8300) to revise the internal revenue laws of the United States.

Mr. FREAR. Mr. President, in the committee amendments, on page 331, under "(2) Limitation", the following provision appears:

For purposes of subsection (b), the term "regulated public utility" does not (except as provided in paragraph (3)) include a corporation described in paragraph (1) unless 80 percent or more of its gross income (com-

puted without regard to dividends and capital gains and losses) for the taxable year is derived from sources described in paragraph (1). If the taxpayer establishes to the satisfaction of the Secretary or his delegate that.

There is no paragraph (3). I should like to offer an amendment which is paragraph (3). I believe the chairman of the Finance Committee is familiar with this amendment.

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

The LEGISLATIVE CLERK. On page 332 of the committee amendments, after line 10, it is proposed to insert:

(3) Certain railroad corporations:

(A) Lessor corporation: For purposes of subsection (b), the term "regulated public utility" shall also include a railroad corporation subject to part I of the Interstate Commerce Act, if (i) substantially all of its railroad properties have been leased to another such railroad corporation or corporations by an agreement or agreements entered into prior to January 1, 1954, (ii) each lease is for a term of more than 20 years, and (iii) at least 80 percent or more of its gross income (computed without regard to dividends and capital gains and losses) for the taxable year is derived from such leases and from sources described in paragraph (1). For purposes of the preceding sentence, an agreement for lease of railroad properties entered into prior to January 1, 1954, shall be considered to be a lease including such term as the total number of years of such agreement may, unless sooner terminated, be renewed or continued under the terms of the agreement, and any such renewal or continuance under such agreement shall be considered part of the lease entered into prior to January 1, 1954.

(B) Common parent corporation: For purposes of subsection (b), the term "regulated public utility" also includes a common parent corporation which is a common carrier by railroad subject to part I of the Interstate Commerce Act if at least 80 percent of its gross income (computed without regard to capital gains or losses) is derived directly or indirectly from sources described in paragraph (1). For purposes of the preceding sentence, dividends and interest, and income from leases described in subparagraph (A), received from a regulated public utility shall be considered as derived from sources described in paragraph (1) if the regulated public utility is a member of an affiliated group (as defined in section 1504) which includes the common parent corporation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

Mr. MILLIKIN. Mr. President, I am willing to take this amendment to conference. I understand it has been submitted to the distinguished senior Senator from Georgia [Mr. GEORGE], and that he is likewise willing to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. FREAR].

The amendment was agreed to.

Mr. LONG. Mr. President, I move that the Senate reconsider the vote by which the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] relating to grain storage facilities was agreed to.

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

Mr. LONG. I yield.

Mr. MILLIKIN. I wonder if the Senator would permit us to dispose of House bill 9315, to provide for an extension on a reciprocal basis of the period of free entry of Philippine articles in the United States. I do not believe its consideration would require very much time.

Mr. LONG. Mr. President, if the Senator will indulge me for 3 minutes, I can conclude in that time. This discussion will not require any considerable period of time.

Mr. President, I do not intend to insist on a vote on my motion. I wish to clarify the record in that respect.

In the first place, I was under an erroneous impression when I estimated that the cost of the amendment for grain storage facilities might run higher than \$1 billion. I was in error. Subsequent to that time I learned that the cost would be far less. As a matter of fact, the cost of this proposal, if properly administered, would be limited by the amount of grain storage for which there is need in the Nation. It is my understanding that there is need for approximately 300 million bushels of grain storage capacity, and that this could be constructed at a cost of approximately 50 cents a bushel, or perhaps a cost of \$150 million. The depreciation allowance and tax allowance work out to a figure of \$36 million tax loss a year.

Inasmuch as I incorrectly stated that the figures were far greater, I apologize to the junior Senator from Minnesota. I was alarmed at the possible abuses of the amendment, and I was hasty in attempting to calculate the cost of the amendment. I find that there are limiting factors which prevent it from being so wide open a loophole as I had thought. Those limiting factors were pointed out when we heard from the Department of Agriculture.

Having explained that the estimated cost is approximately \$36 million a year—

Mr. DOUGLAS. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. DOUGLAS. May I say that this is a characteristically manly statement by the Senator from Louisiana. I think it is one of the tests of true gentlemanliness when a man admits publicly that he has been mistaken. Such a practice is not always followed on the floor of the Senate, but it is thoroughly in keeping with the character of the Senator from Louisiana.

Mr. LONG. The Senator from Illinois is extremely kind, as he always is. I appreciate his statement.

Having stated why I was in error with regard to the cost, I should like to state why I nevertheless disagree with the amendment.

In the first place, it seems to me that this amendment could lead to a considerable tax loophole in our laws. It might mean that a person in the upper income brackets, paying perhaps at the 84 percent rate, could proceed to reduce his taxes to a great degree by building grain storage facilities; and, to the ex-

tent that he built grain storage facilities, he would have a complete deduction in his tax liability for that particular year.

I do not believe that the provision would offer a great incentive for a farmer in the lower income brackets to build additional grain storage facilities.

In the second place, I believe the principle will come back to plague us in the future, when those who produce other items such as cotton, peanuts, and various other products will want similar tax treatment for the construction of warehousing for their own crops.

Likewise, I know that the Treasury Department feels that such a proposal as drawn by the Senator from Minnesota is subject to abuse. It would be possible for a person to build a warehouse or other structure of possible multiple use, and then to write it off in 1 year as a warehouse for grain storage, and in subsequent years to convert it to other uses, all at the expense of the tax collections of the United States Government.

Furthermore, I know that the amendment is not limited to those exclusively engaged in farming. In other words, it is entirely possible that a businessman or a man engaged in the oil and gas industry, or in some other industry, who has a high tax liability, could also own a farm, and such a person could construct warehouse facilities on his farm by virtue of the fact that he owned the farm and had some connection with farming activities.

I also object to this amendment because it is not limited to improvements on a man's own farm. Under the provisions of the amendment it is possible to build grain storage facilities on someone else's farm and still receive the benefit of the full deduction for the amount spent in constructing the grain storage facilities.

I agree that, based upon the provisions of the bill, it will encourage the construction of grain storage facilities, but I do not believe it to be necessary to establish this principle or to go nearly so far as the Senator from Minnesota proposes, in order to acquire grain storage facilities.

Having made that statement, Mr. President, and with the hope that the conference committee will not agree to the amendment in its present form, and that it will either try to eliminate the provision entirely or try to work out a workable compromise in order to tighten up the provisions, I ask unanimous consent to withdraw my motion to reconsider.

The PRESIDING OFFICER. Without objection, the Senator withdraws his motion to reconsider. Are there further amendments to be offered to the bill? The bill is open to further amendment. The Chair recognizes the Senator from Texas [Mr. JOHNSON].

Mr. MILLIKIN and Mr. DOUGLAS addressed the Chair.

Mr. MILLIKIN. Mr. President, may I ask for what purpose the distinguished Senator from Illinois rises?

Mr. DOUGLAS. I understand that the bill is open to further amendment.

Mr. MILLIKIN. Is the Senator from Illinois offering an amendment?

Mr. DOUGLAS. I shall be very glad to yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Texas [Mr. JOHNSON] has been recognized.

Mr. JOHNSON of Texas. Mr. President, I have an amendment at the desk, which I should like to have stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 117 of the House bill, in section 501 (c) (3), it is proposed to strike out "individuals, and" and insert "individual," and strike out "influence legislation," and insert "influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

Mr. JOHNSON of Texas. Mr. President, this amendment seeks to extend the provisions of section 501 of the House bill, denying tax-exempt status to not only those people who influence legislation but also to those who intervene in any political campaign on behalf of any candidate for any public office. I have discussed the matter with the chairman of the committee, the minority ranking member of the committee, and several other members of the committee, and I understand that the amendment is acceptable to them. I hope the chairman will take it to conference, and that it will be included in the final bill which Congress passes.

Mr. MILLIKIN. Mr. President, I am willing to take the amendment to conference. I understand from the minority leader that the distinguished Senator from Georgia [Mr. GEORGE] feels the same way about it.

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

The amendment was agreed to.

Mr. MILLIKIN. Mr. President—

Mr. DOUGLAS. Mr. President, I shall be very glad to yield to the Senator from Colorado, if he wishes.

The PRESIDING OFFICER. The Senator from Illinois has not been recognized.

EXTENSION ON A RECIPROCAL BASIS OF THE PERIOD OF FREE ENTRY OF PHILIPPINE ARTICLES INTO THE UNITED STATES

Mr. MILLIKIN. Mr. President, I should like to take up one other matter, not related to the pending business. I should like to dispose of it now, as the Senator from North Carolina [Mr. ERVIN] has been waiting a long time. During the morning hour I ask for the immediate consideration of H. R. 9315, which was unanimously reported by the Committee on Finance yesterday. The need for speed is that certain trade agreements which we have with the Philippines expire on July 4 of this year. I presented the matter this morning. Then the Senator from North Carolina [Mr. ERVIN] stated he wanted to make some inquiry about it, and I said I would withhold the request until later in the day.

I now ask unanimous consent that the unfinished business be temporarily laid

aside and the Senate proceed to the consideration of H. R. 9315.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 9315) to provide for the extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States.

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

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

Mr. ERVIN. Mr. President, the economic welfare of my State rests in large measure upon the continuing sale of leaf tobacco. The present trade relations between the United States and the Philippines are governed by a trade agreement entered into in 1946. The spirit of this agreement contemplated the free importation of leaf tobacco into the Philippines. The Philippines afford a market for approximately 23 million pounds of such tobacco a year. The Philippines produce only 2½ million pounds of such tobacco. In 1952 the Congress of the Philippines passed a statute which works on a progressive basis and curtails the importation of leaf tobacco to the extent of 75 percent of their normal requirements. The result is that eventually, starting next year, under this act the total importation into the Philippines would be only 25 percent of their normal requirements.

The growers of leaf tobacco in my State feel that this act of the Philippines Congress conflicts with the true spirit of the relationship between the Philippines and the United States, and with the true spirit of the trade agreement of 1946. The Philippines act, of course, has a rather disastrous effect upon the farmers in my State who grow leaf tobacco.

After the distinguished Senator from Colorado [Mr. MILLIKIN] agreed to withhold the matter until I could investigate it, I have been assured by Representative BONNER and by General Romulo that the Philippines Government is eager to correct the situation. I also understand that the State Department is now engaged in negotiations looking toward rewriting the trade agreement between the Philippines and the United States. I wish to urge the State Department to request the repeal of the act passed by the Philippine Congress and to attempt to get assurances that leaf tobacco will hereafter be on the free list as long as free trade continues between the United States and the Philippines.

I am very happy to say that General Romulo has assured us that the Philippine Government intends to do all in its power to adjust the matter satisfactorily, which is another evidence of the fact that the brightest page in history is perhaps that which recounts the relationship which has always existed between the United States and the Philippines.

I withhold my objection.

Mr. MILLIKIN. I should like to add that the Committee on Finance agreed yesterday that early next year it will hold hearings on the pending negotia-

tions, because there are a number of members of our committee who are very much interested in the question the Senator from North Carolina has discussed, looking toward a satisfactory solution of the matter.

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

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

DENIAL OF A FEDERAL PENSION TO ALGER HISS

Mr. DOUGLAS obtained the floor.

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

Mr. DOUGLAS. I yield on the time of the distinguished junior Senator from Colorado. I believe in being generous with the time of other people.

Mr. MILLIKIN. I yield 3 minutes to the distinguished Senator from South Dakota—longer, if he desires.

Mr. MUNDT. I thank the Senator. I shall speak less than 2 minutes.

Mr. President, much excitement was generated around town a week or so ago when it was erroneously reported in the press that the Civil Service Commission and the President of the United States were in favor of granting a pension to one Alger Hiss. Naturally, I was concerned when I read that statement, but I was gratified when I read the succeeding issues of the newspapers to learn that the President of the United States was the first to disavow any such intention, and to say that he was thoroughly convinced that Alger Hiss should not receive a public pension.

Very quickly thereafter, the Bureau of the Budget and the Civil Service Commission corrected what had been reported to be their positions, stating that they, also, were not in favor of giving a pension to Alger Hiss.

As the author of the first piece of proposed legislation to deny the pension to Alger Hiss, I was glad to read these disavowals.

I am happy to see on the floor the distinguished junior Senator from Kansas [Mr. CARLSON], who is chairman of the Committee on Post Office and Civil Service.

My bill has been before that committee for a long time. I sincerely hope that before this session of Congress adjourns, the Senate will take action to deny to Alger Hiss a pension at the cost of the taxpayers of America. It seems to me that there should be a unanimous opinion in high places that this should be done.

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

Mr. MILLIKIN. I yield.

Mr. CARLSON. I wish to advise the Senator from South Dakota that hearings have been held and that action has been taken in the House. As soon as the bill comes from the House, the Senate Committee on Post Office and Civil Service will take immediate action.

Mr. MUNDT. I have been delighted with the excellent progress which has been made.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled, "The Hiss Pension Debate," published in the greatest of all newspapers, my home town daily, the Madison (S. Dak.) Daily Leader.

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

THE HISS PENSION DEBATE

Just why anyone should be arguing for a Federal pension for Alger Hiss, is absolutely beyond understanding.

If there is anyone in the land right now who is less deserving of a Federal pension than Hiss, we cannot think of his name off-hand.

To pay any Federal money to a person convicted under the circumstances under which Hiss was found guilty, is just simply beyond the bounds of ordinary common-sense.

If we have lots of money to toss around, let's raise the pensions of all the fighting men who fought communism in Korea, but let's not give away any money to Alger Hiss.

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

Mr. MILLIKIN. I yield to the Senator from Delaware.

Mr. WILLIAMS. I join with the Senator from South Dakota in expressing the hope that legislation will be enacted to deny a pension to Alger Hiss. I have a similar bill pending before the committee, and I have received assurance from the committee that the bill will be given consideration.

I think there was a misunderstanding on the part of the press, because when I introduced my bill, which I think was early in January of this year, I contacted the chairman of the Committee on Post Office and Civil Service, and was promised his support on the proposed legislation. So I know that the chairman of the Committee on Post Office and Civil Service took a position long ago endorsing this type of legislation.

Mr. MUNDT. It certainly would be a travesty if in these hard and troubled times we found ourselves compelled to pay pensions to traitors.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

REVISION OF INTERNAL REVENUE LAWS

The Senate resumed the consideration of the bill (H. R. 8300) to revise the internal revenue laws of the United States.

Mr. DOUGLAS. Mr. President, I had intended to offer two amendments, namely, amendments D and E, one dealing with the \$1,200 exemption on pension income, and the other dealing with child care. But, in view of the obvious sentiment of the Senate and its apparent reluctance to grant further tax relief to those in the lower income brackets, I ask unanimous consent to have the text of the amendments and of the statements accompanying them printed in the body of the RECORD at this point.

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

The amendments and statements are as follows:

ADDITIONAL EXEMPTION FOR WORKING MOTHERS

On page 34 of the bill, in section 151, after subsection (e) insert:

"(f) Additional exemption for certain working women and widowers:

(1) In general: An additional exemption of \$600 for the taxpayer if—

"(A) the taxpayer is a woman or a widower; and

"(B) the taxpayer is entitled to an exemption for the taxable year under subsection (e) (1) with respect to a dependent who is—

"(i) his son, stepson, daughter, or stepdaughter (within the meaning of section 152) under 14 years of age; or

"(ii) a person who is physically or mentally incapable of caring for himself; and

"(C) the taxpayer establishes to the satisfaction of the Secretary or his delegate that the taxpayer incurred expenses of at least \$600 for the care of such dependent during the taxable year for the purpose of enabling the taxpayer to be gainfully employed.

"(2) Widower defined: For purposes of this subsection, the term 'widower' includes an unmarried individual who is legally separated from his spouse under a decree of divorce or of separate maintenance."

On page 54 of the bill, in the table of sections to part VII, strike out "Sec. 214. Child care expenses."

On page 55 of the bill, in section 213, strike out subsection (f).

On pages 55 and 56 of the bill, strike out section 214.

On pages 42 through 44 of the committee amendments, strike out amendment No. 69.

On page 414 of the bill, in section 3402 (f) (1)—

(1) in subparagraph (D), strike out "exemption; and" and insert: "exemption."

(2) in subparagraph (E), strike out "credit," and insert: "credit; and."

(3) after subparagraph (E) insert:

"(F) one additional exemption if, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable to the employee an exemption under section 151 (f) (1) (relating to certain working women and widowers) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit."

STATEMENT BY SENATOR DOUGLAS

I wish at this point in the debate on the tax bill to congratulate the House Ways and Means Committee and the Senate Finance Committee for facing up to the inequity which has been meted out to our working mothers and their children by our tax laws. We have long permitted a businessman to deduct the full cost of the salary of a watchman to protect his factory, regardless of the amount of his income. At the same time, we have refused to permit deductions for the care of our children, in whose hands lies the future of this great country.

It is particularly appropriate, I believe, that we are attempting to deal with this problem at a time when other committees of the Congress are searching into problems related to juvenile delinquency. All evidence seems to point to the conclusion that our tax laws are not working to insure a constructive environment for our children.

There are those, who believe that mothers' place is in the home caring for their children and, assuming that economic conditions make this possible, there is no one who believes this more fervently than I.

However, we must be realistic. In 1951, working mothers were approximately one-fourth of all the women in the population who had children under 18. (Handbook of

Facts on Women Workers Bulletin, No. 242, U. S. Department of Labor, Women's Bureau, p. 21.) There were in 1951, 5.2 million mothers, who, in order to work, had to provide care for their children while they are absent from home. Most of these women worked because of necessity. They worked to supplement their husband's small earnings or because they have been left the head of their family. Most of these women are filling a dual need in that they have teaching, nursing, or stenographic jobs, where the supply is always short, at the same time contributing to the support of their families. Thus, we are on the one hand appealing to mothers to take these jobs and at the same time penalizing them for doing so by refusing to allow them to deduct the cost of child care.

In view of these factors, I believe we must insure that our working mothers are permitted a fair allowance for child care. The committee amendment falls short of this in the following respects:

1. It permits the \$600 deduction only for those working wives, whose combined adjusted gross income with that of their husbands is not more than \$4,500 and the deduction is decreased by any amount which the couple earns in excess of \$4,500. Thus, if their combined adjusted gross income is \$5,100 they receive no benefit from the committee amendment. After the deduction of income taxes, cost of child care, working expenses of the wife, and so forth, this leaves a very small amount for the support of a family of three or more. In urban areas, when the husband's income is under \$6,000 from one-fifth to one-third of the wives were in the labor force. (Women as Workers, a statistical guide, United States Department of Labor, Women's Bureau, p. 93.) It is in the urban areas where living costs are high and incomes must necessarily be higher and the committee amendment discriminates against working mothers in these areas.

2. The committee amendment will require working wives to itemize their deductions for interest, charitable deductions, medical expenses, and so forth, since the added \$600 deduction for child care would preclude their claiming the straight allowance of 10 percent of their income. Itemization of deductions is particularly unfavorable, for example, for persons who rent as opposed to those who are buying their own homes. This latter group can deduct interest and taxes on their homes. The renter also pays these costs in the form of rent, but he cannot deduct them.

In addition, low-income families have little funds for charitable contributions, and often forego medical care which is needed because they cannot afford it and thus often have no medical expenses in excess of the amount which may not be claimed.

In view of these factors, I believe a sounder approach would be a substitute for the committee amendment which I have offered. My substitute proposes an additional personal exemption to working mothers of children under age 14 and other employed taxpayers with dependents as defined in the committee amendment who are over that age.

ELIMINATION OF EARNINGS, RESTRICTIONS ON \$1,200 DEDUCTION FOR PENSION INCOME

On page 11 of the bill, in section 38, strike out subsection (d) and insert:

"(d) Limitation on retirement income: For purposes of subsection (a), the amount of retirement income shall not exceed \$1,200 less any amount received by the individual as a pension or annuity—

"(1) under title II of the Social Security Act;

"(2) under the Railroad Retirement Acts of 1935 or 1937, or

"(3) otherwise excluded from gross income."

On page 10 of the committee amendments, strike out paragraphs (2), (3), and (4) of amendment No. 13.

On page 10, line 20, of the committee amendments, strike out "(d) (1)" and insert "(d)."

On page 11, lines 13 and 14 of the committee amendments, strike out "subsections (b) and (d) (2)" and insert: "subsection (b)."

STATEMENT BY SENATOR DOUGLAS

Like so many other provisions of the tax bill before us, the retirement income exemption is more favorable to those who are well off than to those who really need tax relief. It discriminates against those who must work to supplement their income. The provision exempts \$1,200 of income from pensions, annuities, dividends, interest, rents, etc., and places no restriction on additional income from these sources. But woe to the man who has to work to supplement his pension to a point where he can live on it. For every dollar he earns over \$900, he must reduce the \$1,200 exclusion by that amount. Thus, if he earns \$2,100, he would get no benefit from the \$1,200 exclusion provision for retirement income. Meanwhile, his more fortunate fellowman, who has been able to invest in stocks, rental properties, etc., may have income into the hundreds of thousands and still not pay tax on the first \$1,200 of his retirement income. If there is equity in such a provision, it most certainly escapes me.

The tax-writing committees have attempted to justify this discrimination against the individual who must work, by claiming that this limitation is necessary to be in with the social-security work clause. The same House Ways and Means Committee which initiated this injustice has since seen fit to recommend that the social-security work clause be liberalized, making it possible for the social-security annuitant to receive his tax-free annuity and still earn an almost unlimited amount, if he is willing to forego his annuity for a couple months. It works like this: Say a retired architect gets a contract to build a house for \$5,000. He receives this payment in the month of January. He would have to forego his social-security annuity for January, but if he had no income in any of the other months in that year, he would receive the annuity the 11 remaining months, since the House-passed bill provides that benefits will not be withheld during any month in which the individual neither rendered services for wages in excess of \$30 nor rendered substantial services in a trade or business.

Now I recognize that income taxes are levied annually and benefits are paid monthly. That is why the committee used the \$900 figure.

The reason for the discrimination against earned income in the social-security system is purely administrative. It is easier to police. But we do not have this problem with respect to income taxes because the policing is simple. It is all contained in the income tax form. Thus, if the earnings' restriction is to apply at all, it should apply to unearned income as well as earned income.

But this should not be necessary. The aged people of this Nation have enough problems in getting enough to live on. The work clause itself is a bad proposition because it does not permit an aged person to work at lighter tasks or on a part-time job. In effect, it says "You don't get a pension unless you sit in your rocking chair." If it is physically possible, most aged persons want to have some useful work to do, and, as a matter of fact, it is generally necessary for them to have supplemental earnings unless we would force them to accept grinding poverty on the pitifully small pensions that most of them get.

Now the question may be raised that those with large earnings or income do not need special tax allowances. I submit that such persons are generally those with unearned income, and they have no restrictions in the bill now. Those who must work to supplement pensions do not earn large amounts of money.

My amendment would eliminate the earnings' restriction. Remember that the exclusion is not general. It is restricted to retirement income. Those who are retired on pensions are not likely to be big earners.

I would have no objection to permitting the exclusion only for those who have incomes of less than, say, \$5,000. But if we do, it should apply to all income and not merely to earned income.

MOTION TO RECOMMIT BILL TO COMMITTEE IN ORDER TO GET TAX RELIEF FOR ALL INCOME TAXPAYERS

Mr. DOUGLAS. Mr. President, I move to recommit the bill (H. R. 8300) to the Senate Committee on Finance with instructions to report it back to the Senate with recommendations giving less tax relief to upper income groups, businesses, and corporations, with correspondingly greater tax relief for those in lower and middle income brackets.

The PRESIDING OFFICER. Will the Senator send his motion to the desk? The clerk will state the motion of the Senator from Illinois.

The CHIEF CLERK. Mr. DOUGLAS moves to recommit the bill (H. R. 8300) to the Senate Committee on Finance with instructions to report it back to the Senate with recommendations giving less tax relief to upper income groups, businesses, and corporations, with correspondingly greater tax relief for those in lower and middle income brackets.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DOUGLAS].

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I am willing to agree to withdraw my suggestion of the absence of a quorum, provided I can obtain an agreement for a yeas and nays vote on my motion to recommit.

The PRESIDING OFFICER. The Senator from Illinois is advised that he cannot ask for such an agreement during the progress of a quorum call; but he may withdraw his suggestion of the absence of a quorum, and later, of course, again suggest the absence of a quorum.

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

Mr. BUSH. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. I now ask for the yeas and nays on my motion to recommit.

The yeas and nays were ordered.

Mr. MILLIKIN. Mr. President, is the Senator from Illinois submitting his proposition without debate?

Mr. DOUGLAS. No, not at all. I should like to have the clerk read the motion.

Mr. MILLIKIN. I simply did not think the yeas and nays should be recorded until that stage of the proceeding had been reached.

Mr. DOUGLAS. I asked for the yeas and nays as a precautionary measure.

The PRESIDING OFFICER. The clerk will state the motion of the Senator from Illinois.

The Chief Clerk read as follows:

Mr. DOUGLAS moves to recommit the bill, H. R. 8300, to the Senate Committee on Finance with instructions to report it back to the Senate with recommendations giving less tax relief to upper income groups, businesses, and corporations, with correspondingly greater tax relief for those in lower and middle income brackets.

The PRESIDING OFFICER. Will the Senator from Illinois state the amount of time he yields to himself?

Mr. DOUGLAS. I yield to myself and my colleagues 1 hour or such smaller amount of time as may be required.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield to the senior Senator from Colorado on his own time.

Mr. JOHNSON of Colorado. Mr. President, will the distinguished junior Senator from Colorado yield me 1 minute?

Mr. MILLIKIN. I yield more than 1 minute to my distinguished colleague.

Mr. JOHNSON of Colorado. I have just listened to the reading of the motion offered by the Senator from Illinois. I am looking now at article I, section 8, of the Constitution of the United States, which reads as follows:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but—

There is that "but"—

all duties, imposts, and excises shall be uniform throughout the United States.

Are the Senator's instructions to the Committee on Finance in accord with that constitutional provision of being uniform, or does the Senator say to the Finance Committee, "tax the rich; give relief to the poor"? If so, who are the rich, and who are the poor, may I ask?

Mr. DOUGLAS. I may say to my good friend, the Senator from Colorado, that he apparently is taking the same position as that taken by Mr. Joseph H. Choate before the Supreme Court in the first income tax case in 1894, when he argued that an income tax did not provide for equality of taxation. Mr. Choate was upheld at the time by a split decision of the Supreme Court. But a constitutional amendment subsequently was passed, and the principle of progressive taxation not only has become imbedded in our legislation, but has been upheld by the courts, and is believed in by the American people.

Therefore, I say to my good friend from Colorado, who normally is so up to date, that in this matter he is just 60 years behind the times.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. Certainly.

Mr. JOHNSON of Colorado. Does the Senator from Illinois know of any legislation which has been enacted by Congress, that makes the classifications of taxpayers which the Senator makes in his motion?

Mr. DOUGLAS. That is implicit in every tax bill. For example, the income tax levies a higher percentage upon the upper than upon the lower incomes. I wanted to make the recommendation so general that the members of the Committee on Finance would be able to fill in the fine print. But every income tax bill which has different rates involves this question; and every bill which differentiates between different types of income has such a distinction implicit in it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield for one more question?

Mr. DOUGLAS. Certainly.

Mr. JOHNSON of Colorado. Then I shall not bother the Senator further.

Mr. DOUGLAS. It is a great pleasure to have a colloquy with the distinguished senior Senator from Colorado.

Mr. JOHNSON of Colorado. I am not talking at all about graduated rates, as I think the Senator well knows. What I am talking about is the graduated classifications of the American people.

Mr. DOUGLAS. The graduated rates are based upon the graduated income classifications of the American people. Those classifications exist; and what we know as men, we cannot pretend to be ignorant of as Senators.

Mr. President, the Senator from Colorado [Mr. JOHNSON] has offered a technical objection to the motion which I made. I could have offered the following motion:

I move to recommit the bill, H. R. 8300, to the Senate Committee on Finance, with instructions to report it back with recommendations providing for tax relief for all income-tax payers, with total tax relief provided in the bill not to exceed that which was originally reported.

That would have the same effect as my original motion. If the Senator from Colorado prefers, I shall be glad to change my motion and ask unanimous consent that the substitute motion be considered. After all, my purpose is to get tax relief for all taxpayers; not just to those in high-income brackets.

Mr. President, I ask unanimous consent that the motion I have just stated be substituted for my previous motion.

The PRESIDING OFFICER. Does the Senator make that as a unanimous-consent request?

Mr. DOUGLAS. First, may I feel out the Senator from Colorado and ascertain whether this meets with his approval?

Mr. JOHNSON of Colorado. Mr. President, I congratulate the very able Senator from Illinois for admitting his error and making the change.

Mr. DOUGLAS. The meaning is the same; but if the wording is more satisfactory to the Senator from Colorado, I shall be glad to substitute the motion which I have just stated for the previous one.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. MILLIKIN. Mr. President, what is the immediate question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request that the Senator from Illinois may substitute another motion for his original motion. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. I thank the Chair.

The PRESIDING OFFICER. Will the Senator from Illinois send his motion to the desk?

Mr. DOUGLAS. Mr. President, I send my motion to the desk.

The PRESIDING OFFICER. The clerk will read the motion for the information of the Senate.

The legislative clerk read as follows:

I move to recommit the bill (H. R. 8300) to the Senate Committee on Finance with instructions to report it back with recommendations providing for tax relief for all income-tax payers, with total tax relief provided in the bill not to exceed that which was originally reported.

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

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays were ordered on the original motion.

Mr. DOUGLAS. Does that order carry over to the substitute motion?

The PRESIDING OFFICER. The Chair rules that the order for the yeas and nays does carry over.

Is it the Senator's desire to yield himself time?

Mr. DOUGLAS. I shall be glad to have the Senator from Colorado lead off, if he wishes.

Mr. MILLIKIN. I do not wish to. I should like to hear what the Senator from Illinois proposes.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. If no further time is requested—

Mr. MILLIKIN. Mr. President, so that I may know the question presently before the Senate, may I request that the Clerk read the motion?

The PRESIDING OFFICER. The Clerk will read the motion of the Senator from Illinois once more.

The legislative clerk read as follows:

I move to recommit the bill (H. R. 8300) to the Senate Committee on Finance with instructions to report it back with recommendations providing for tax relief for all income-tax payers, with total tax relief provided in the bill not to exceed that which was originally reported.

Mr. DOUGLAS. Mr. President, when the bill was originally reported, it contained provisions which would have meant a loss of tax revenue in the second year of approximately \$3 billion. Evidently the sustaining of such a revenue loss was thought to be safe by the Treasury Department and by the committee, because the bill was so reported. During the course of the debate, the majority party was forced to yield ground twice. The party had originally started out with a 15-percent dividend tax credit. A 15-percent dividend credit directly

applied to taxes would have cost the Treasury \$1,200,000,000. In the House the figure was reduced to 10 percent, which would have resulted in an ultimate cost to the Treasury of \$842 million.

Two days ago, in a surprise maneuver, the Senator from Colorado limited the credit to 5 percent, which would have meant that the loss in revenue would have been approximately \$420 million. Those reductions in revenue have been eliminated from the bill, but there has been no increase in personal exemptions, in fact, neither a flat tax reduction nor a \$100 exemption, provided for in the bill.

My proposal simply is that we should carry out the extent of the tax cuts originally intended to be carried out by the committee, by substituting for the tax cut which was originally granted to the recipients of dividends, tax cuts for the great mass of American income taxpayers.

The motion is drawn up in such general terms that it does not prescribe how the reduction is to be effected, but merely states that the total will be equal to the cuts originally given to the dividend recipients, and now temporarily eliminated, but not transferred elsewhere.

Mr. President, I am very frank to say that one purpose of the amendment is to forestall the possible reappearance of the dividend tax credit in the bill by action of the conference committee, because the rumor in the cloakroom—and the rumors heard there are frequently accurate—is that when the bill comes back from conference it will have some kind of a dividend tax credit, possibly 5 percent.

So, Mr. President, if we take the figure of the cut of \$842 million, which was knocked out of the bill, minus such increases as we may have made on the floor of the Senate, and there is substituted for that net cut a general reduction in the income taxes of the American people, we will not be impairing the position of the Treasury beyond that which the Treasury thought to be sound at the beginning of the debate; but we will be giving relief to the American people as a whole, and not merely to a special class of the American people.

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

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

Mr. HUMPHREY. The Senator is explaining the purpose and the objective of the motion to recommit. I should like to have the RECORD read that 91 Senators in this body have, at one time or another in the debate, voted for personal income tax reductions, and there is not now in the bill any provision for personal income tax reduction.

As I understand, one of the objectives of the motion of the Senator from Illinois is to effectuate by legislative language a proposal which has literally been demonstrated as being the desire of the Members of the Senate by their votes. There is now the opportunity for 91 Senators to be able to say to their constituents, "Look, I voted for income tax relief for you." Obviously, a constituent would wonder, "If 91 Senators voted for tax relief, and there are only

96 Members in the Senate, what happened?" This is a kind of tax shell game—first you see it, then you do not. It is a most amazing performance. Ninety-one tried, true, and tested Members of the Senate voted for income tax reduction, either by a tax credit of approximately \$20 or on the basis of an increased exemption allowance. Yet the tax bill does not give a nickel of income tax reduction.

Mr. DOUGLAS. It could not have been better if it had been done with mirrors.

Mr. HUMPHREY. I once reflected upon the mirages which were being conjured up in the Senate. I only say to my distinguished colleague the Senator from Illinois that he is now giving the Senate an opportunity to bring into fruition the dream it has had. We have seen the mirage. We have engaged in the game of tax relief, but the reality seems to have escaped our grasp.

I would not want any of my colleagues to leave this Chamber, after having tried so hard to give tax relief, and not be able to say, "Not only did I and 90 of my colleagues vote for tax relief, but here it is."

Mr. DOUGLAS. In other words, the Senator from Minnesota is saying that my motion, if agreed to, not only will give great tax relief to the people of the United States, but it will also give great emotional relief to Senators by removing the frustration which otherwise would be theirs.

Mr. HUMPHREY. Of course, the Senator from Illinois states the matter more vividly than I am able to state it. I was trying to say that certainly there will be a great additional emotional burden on every Member of the Senate when he begins to add up the votes, for then he will have to say, "How did it happen? Ninety-one Members of the Senate voted for tax relief, but there is no tax relief."

This is most unusual, and some persons will ask what kind of shell game it was and what kind of maneuvering went on.

Let me point out that if the bill is re-committed, whatever the committee may then bring forth will be better than the bill as it now stands, even if the committee comes forth with a \$10 or a \$20 credit, or a \$50 or a \$100 increase in the exemption allowed for dependents. Whatever the committee may do will be an improvement, in terms of individual income-tax relief.

If anyone has any doubt about how to compensate for that loss of revenue, let me say that later I shall be able to show the Senator from Illinois where there are some loopholes that could be plugged, and thus provide the revenue.

Mr. DOUGLAS. But did the committee or did the Treasury plug any loopholes?

Mr. HUMPHREY. I did not see many loopholes that were plugged. I recall that in past years the Treasury Department suggested a withholding provision to improve tax collections on dividends.

Mr. DOUGLAS. The Senator from Minnesota is referring to the Treasury in a previous administration, is he not?

Mr. HUMPHREY. Yes. Of course I look upon the Treasury Department as

an institution for the welfare of the people.

Mr. DOUGLAS. That is a big assumption. [Laughter.]

Mr. HUMPHREY. Well, I wish to be magnanimous in my assumptions.

My colleagues will recall that in past years there have been suggestions by the Secretary of the Treasury and other Government officials—

Mr. DOUGLAS. But in a previous administration.

Mr. HUMPHREY. Yes, in a previous administration—suggestions for withholding the tax on dividends.

Mr. DOUGLAS. Yes; and that would have saved \$300 million a year.

Mr. HUMPHREY. Between \$250 million and \$300 million a year.

I say that the Treasury got the idea that something was supposed to be done in regard to dividends. However, instead of simply withholding the collection of what should have been collected, the Treasury wanted to relieve itself of the burden of collecting even what was available under the present provisions of tax legislation.

Mr. DOUGLAS. Does the Senator from Minnesota think that the strategic retreat which the armies on the other side of the aisle beat, under the direction of the able general from Colorado, was a real retreat; or was it, to use the French phrase, a recoil in order to spring further—or reculer pour mieux sauter, I believe.

Mr. HUMPHREY. Well, there will be a rendezvous in the conference committee; and from the point of view of amassing an arsenal for this new offensive, I should think we in the Senate would have been faced with some kind of abbreviated program of stock dividend tax credits. I think we shall eventually be faced with that.

Mr. DOUGLAS. Whereas the motion of the Senator from Illinois would forestall that and prevent it, because the tax cut originally designed would be transferred from those who receive dividends to the great body of taxpayers; and that would be done at the discretion of the committee.

Mr. CARLSON. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. CARLSON. As I understand, the Senator from Illinois wishes to have the taxpayers given the benefit of the proposal reported by the Finance Committee.

Mr. DOUGLAS. Yes; the one reported by the committee.

Mr. CARLSON. I believe the Senator from Illinois has been talking about generous treatment, and I believe the Senator from Minnesota has said something about being magnanimous.

Let me say that in the first year the amount available would be \$240 million, and since there are 77 million taxpayers, the individual share would be approximately \$3.50. That shows how generous we would be.

Mr. DOUGLAS. Perhaps we are not talking about the same thing. As the Senator from Kansas knows, primarily what has happened to the bill is that the dividend tax credit, which began at 10 percent when the bill came to the floor,

has been eliminated. I understand that, according to the members of the committee, the bill originally made a tax reduction of \$842 million. My proposal is to transfer that reduction, minus whatever increases have been made on the floor, to the general body of taxpayers. That would not reduce the total sum of the taxes collected by an amount greater than that which the committee originally intended; but in all probability it would forestall having the stock dividend tax credit reappear through a side door.

Mr. CARLSON. But I believe that in the first year it would amount to \$240 million, or \$3.50 for each taxpayer.

Mr. DOUGLAS. In the second year it would be \$842 million, and that would carry with it the provision that the cut in any one year should not be greater than the cut originally intended or designed.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. In the course of the debate there has been considerable discussion about the loss of revenue to the Treasury. I notice that in some of the discussion on that point, the chief concern was over the loss that would come from any reduction in the personal income tax. Does the Senator from Illinois have any idea what the loss to the Treasury would be from the percentage depletion allowance, coupled with the additional deduction for exploration and development expenses?

Mr. DOUGLAS. Approximately \$500 million.

Mr. HUMPHREY. Let me point out that in view of the increased allowances or deductions which have been provided in the bill, if we consider all minerals, oil, gas, and the entire list of depletion allowances, the total will be approximately \$1 billion.

Mr. DOUGLAS. In addition?

Mr. HUMPHREY. No, a total of approximately \$1 billion.

Mr. DOUGLAS. As compared with \$500 million previously; is that correct?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So another bonus of \$500 million has been given the owners of those properties.

Mr. HUMPHREY. I am not sure the original amount was \$500 million, but certainly it has been increased very largely, in the way I have stated.

Furthermore, last night the Senator from Tennessee [Mr. GORE] showed that a considerable loss of revenue would come from the change in the estate-tax provision.

Mr. DOUGLAS. Yes; in fact, I think the estate tax has now virtually been shot to pieces.

Mr. HUMPHREY. There are other loopholes in the tax law. If they were plugged substantial sums of revenue could be raised.

Finally, I ask the Senator if he recalls the very brilliant address by the Senator from Louisiana [Mr. LONG], in which he cited the tax relief which had been given up to date, amounting to several billion dollars since 1952, and who got it—what tax relief was given, and the

people who received it. Does the Senator recall that?

Mr. DOUGLAS. He showed that a very small fraction went to taxpayers in the low and middle income brackets, and that the overwhelming proportion of the tax cuts went to those in the upper brackets.

Mr. HUMPHREY. I believe the Senator from Louisiana pointed out that a substantial portion of the taxpayers who were relieved on January 1 of the 1951 increase in taxes lost that relief through an increase in the social security tax. Is not that correct?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. And that the excess profits tax was primarily an industry tax.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Many of the other tax relief provisions which have gone into effect have been primarily limited to a very small group of taxpayers.

Mr. DOUGLAS. And is it not true that such relief as is given corporations in this bill, instead of becoming effective as of the moment of passage of the bill, is made retroactive to the first of January of this year?

Mr. HUMPHREY. That is my understanding. I invite the attention of Senators to the fact that in 1951, when we debated a tax bill and a proposed increase in the corporate tax rate, an amendment was proposed at that time which would have made the corporate tax rate effective as of January 1.

Mr. DOUGLAS. That was when the rate was being increased.

Mr. HUMPHREY. It was increased from 47 percent to 52 percent.

The Senator will remember the very long and hard-fought debate we had. He will recall that the first quarter of 1951 was one of the most prosperous and profitable periods in the history of industry. That first quarter escaped the new tax rate. It was commonplace and traditional in the writing of tax laws to have the corporate income tax schedule go back to the first of the year. This was one of the first times, if not the first time, that the corporate income tax increase was applied at the point of the second quarter in the year, instead of the first, saving the corporations approximately \$500 million, according to the calculations of the Treasury Department at that time.

Mr. DOUGLAS. But in this case, in which tax relief is to be given, instead of making that relief effective as of the date of the passage of the bill, it is made retroactive.

Mr. HUMPHREY. That is correct.

Let me conclude my inquiry, if the Senator will yield further.

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. Is it not, therefore, the purpose of the Senator from Illinois in making the motion to recommit, to call upon the Senate Finance Committee to do what the Senate has voted to do? However, the votes have never quite added up together at the same time, at the same place, and on the same measure, to get something done. We have a surplus of votes. We have not only a two-thirds majority; we have a

five-sixths majority of the Senate for income tax relief, and with five-sixths or more of the Senate voting for income tax relief, either by way of increased dependency allowance, from \$600 to \$700, or a tax credit of \$20, we have no tax relief. This is indeed one of the miracles of legislation. Five-sixths of the membership of this august body profoundly and piously said, "We are for tax relief for the lower- and middle-income groups." Despite the 91 votes, there is no such tax relief. I say that we ought to get out of this maze, this crossword puzzle of tax legislation. We should put the pieces of the jigsaw puzzle together and come forth with at least some token relief to those who need it—relief which would stimulate activity in the economy.

Mr. DOUGLAS. Replying to the Senator from Minnesota, I say that now is the time for all good Senators to come to the aid of the taxpayer.

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

Mr. DOUGLAS. I yield.

Mr. LEHMAN. Reference has been made by the Senator from Minnesota to the very unfortunate—and I think ill-considered—action taken last night with regard to the inheritance tax or estate tax. I wonder whether the distinguished Senator from Illinois realizes that that action not only virtually destroys the possibility of receiving large revenues from the inheritance tax on great fortunes, but also very seriously, if not wholly, cripples the fiscal situation of the States.

In my own State of New York, one of the main sources of revenue is from the inheritance tax. New York and other States receive 80 percent of the total inheritance taxes. Under this provision there is no possibility of preventing the complete dissipation of those large revenues, because it is made possible for people of large fortunes to divest themselves not only of their interest in their estates, but also of any responsibility for paying the inheritance tax. I think it is one of the worst features of the bill, a feature so bad that it would be difficult under any circumstances to justify supporting it.

Mr. DOUGLAS. I thank the Senator from New York. Let me say that the 845 pages of text are difficult to assimilate, and they smell bad.

Mr. BYRD. Mr. President, will the Senator from Colorado yield me 5 minutes?

Mr. MILLIKIN. I am glad to yield 5 minutes to the Senator from Virginia.

Mr. BYRD. I wish to make a brief statement as to my position on the pending legislation. I have been in some doubt as to my vote on the bill. I have followed the consistent course that I would not vote to reduce taxes if it were necessary to borrow the money to do so.

The elimination of the tax dividend credit, under the Johnson amendment, reduces the loss in revenue in the pending bill by \$240 million for the fiscal year 1955, \$532 million for the fiscal year 1956, and \$814 million for the fiscal year 1957. I voted for the Johnson amendment. As a member of the Fi-

nance Committee, I likewise voted to eliminate the tax dividend credit.

Throughout the tax-reduction program I have consistently voted in opposition to reducing taxes with borrowed money. I have done this as a member of the Senate Finance Committee, and on the floor of the Senate.

The pending bill provides that the 5-percent tax on corporations, the normal tax, known as the Korean war tax, which expired April 1, 1954, shall be extended until April 1, 1955, thus realizing additional revenue, as compared with the present law, of approximately \$1,200,000,000 in the present fiscal year.

After eliminating the tax-dividend credit, the losses in the pending bill for the fiscal year 1955 will be approximately the amount of additional revenue raised by the extension of the 5 percent corporate tax. I am so advised by the latest estimates made by the fiscal experts. The two figures may not be exactly the same, but approximately the increased revenue derived from the extension of the 5-percent tax on corporations, which has already expired, will be sufficient to pay all the losses involved in the tax bill now pending, after eliminating the losses which would have occurred had the tax dividend credit provision been retained in the bill.

Mr. President, I will, therefore, vote for the pending bill, for the reason that it has in it many provisions of reform and of equalization and of clarification of the existing tax laws. It is the first complete code of tax laws that has been adopted since 1875. It is a monumental work, which was begun 2 years ago by the Ways and Means Committee of the House. As I have said, it provides many desirable changes in existing laws.

I would not vote for the pending legislation if the result of its enactment would be net loss of revenue for fiscal 1955, but, as I have said and as I now repeat, that is not the case.

As a member of the Committee on Finance, I wish to take a moment to say that in my 21 years of experience in the Senate I do not know of any measure which has had the painstaking care and the scrupulous attention to every detail this bill has had. It has 8,000 sections. Every section was gone over, not once, but twice, by the members of the Committee on Finance. Practically all of it was read. It consists of almost 900 pages. All details of it and all discussions in the committee were complete and frank, and lasted certainly more than a month, and perhaps 5 or 6 weeks.

There was no lack of attention on the part of the committee with respect to this monumental bill. I believe it is the largest bill, certainly in number of pages, that has ever been considered by the Senate.

I wish to pay my tribute to the splendid service rendered to the committee by the tax experts attached to the Committee on Finance for the consideration of this bill. I wish to pay special tribute to Colin F. Stam, the chief of staff of the Joint Committee on Internal Revenue Taxation, and to his associates for the fair and splendid way in which they explained the 8,000 sections of the

bill and prepared the extensive amendments which were adopted by the committee. I also wish to express my appreciation, as a member of the committee, to Dan Smith, assistant to the Secretary of the Treasury, and to Kenneth W. Gemmill, assistant to the Secretary of the Treasury, who rendered excellent assistance in this difficult task.

They did not volunteer their opinions. They did not try to press their conclusions and judgments upon the committee. They answered only such questions as the members of the committee propounded to them, and did so in a fair manner, without attempting to influence the judgment of the committee.

The committee received such assistance to a greater degree than I have ever known in my entire service on the committee, and it had the cooperation of the Treasury Department in working out the difficult tax provisions, with justice to both the taxpayer and to the Government.

While the pending bill is not by any means a perfect bill—and in my long experience with the Committee on Finance I well know that no legislation relating to taxes can be perfect—I wish to say that when we consider the implications and the complications of the gigantic tax structure known as the Federal tax system, I believe that the legislation now pending is a very worthwhile and creditable step in the reform of many sections of our tax laws, although as time goes on we must realize that further improvement and clarifications may become necessary.

Therefore it is my purpose to vote against the motion to recommit the bill. Nothing could be accomplished by it. I expect to vote in favor of the passage of the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Colorado yield 5 minutes to me?

Mr. MILLIKIN. I am glad to yield 5 minutes to the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, I desire to associate myself completely with the statement of the Senator from Virginia. Both of us have served for a long time on the Committee on Finance. I agree with him that never before has the committee received so much help and cooperation from the staff of the Joint Committee on Internal Revenue Taxation, headed by Mr. Stam, and from the staff of the Treasury Department. I know that on other occasions our committee has had great difficulty with the Treasury staff, but not this time.

As the Senator from Virginia has pointed out, they gave us the facts as they saw them. They presented the case as they saw the case, and that is all. They did not try to impose their will or their judgment upon the members of the committee in any degree. It was my first experience in which the Treasury staff has acted in that considerate manner.

H. R. 8300 has been described as a rich man's bill and as a bill whose provisions favor corporations.

Mr. President, an unbiased and careful study of the provisions of H. R. 8300 do not reveal a basis for such a con-

clusion. H. R. 8300 extends for another year, as the Senator from Virginia has stated, the 5 percent normal tax on corporations, which expired on April 1, 1954. This extension will yield revenue of \$1.2 billion.

If the bill is recommitted, as is proposed by the pending motion, I do not know what our committee will be able to do with the bill. I know that we have given it our most earnest consideration. I know that it received the most earnest consideration from the Treasury, and I know it received the same consideration during the course of many months from the staff of the Joint Committee on Internal Revenue Taxation. If it were returned to the committee, it seems to me, the Senate would be acting in a spirit of ingratitude toward the Committee on Finance, toward the staff of the Treasury, and toward the staff of the Joint Committee. If it were returned to the committee, I believe we on the committee would have to conclude that we could not accomplish the purpose which the Senate had asked us to accomplish. I believe we would have to give up and let H. R. 8300 go by the board.

If we were to do that, who would benefit? Who would benefit from the motion which has been made by the Senator from Illinois [Mr. DOUGLAS]? The corporations of the country would benefit to the extent of \$1.2 billion.

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

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. Mr. President, I ask for 2 additional minutes.

Mr. MILLIKIN. I yield 2 more minutes.

Mr. JOHNSON of Colorado. The Senator from Illinois has plenty of time of his own. I have very little time.

In addition to the extension of the 5 percent normal tax on corporations, there are other provisions which increase the tax burdens of corporations, and they are very considerable burdens.

On the other hand, the bill does give some relief to about 25 million persons, more or less—I do not know how many more, but I think it is a great many more than it is less—many of them in the low-income bracket.

Medical care, child care, educational cost relief, charitable contribution relief, retirement income credits, assistance to the farmer, including soil and water benefits, and various other benefits and forms of relief are found throughout the 800 pages of this bill.

I wish to add one more word. My colleague, the able Senator from Colorado [Mr. MILLIKIN], has devoted many, many hours during the past 2½ months to the consideration of this bill. He has worked himself almost into a position where he will have to take a rest, because I know he must be almost completely exhausted by the close attention he has devoted to this bill and the worry and the work incidental to it. So I hope, most earnestly, Mr. President, that the Senate will not act in a spirit of ingratitude toward the Finance Committee and vote favorably on the motion of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I shall be glad to yield to the Senator from Colorado 2 minutes if he will be willing to reply to the question which I should like to ask him.

Mr. JOHNSON of Colorado. I shall be very glad to answer it.

Mr. DOUGLAS. The Senator said that if the bill were sent back to the committee, no tax bill would be reported. Is he implying that the members of the Finance Committee would indulge in a sitdown strike? I personally have a very much better opinion of the Finance Committee than that. They are an honorable body of men who will follow the instructions of the Senate.

Mr. JOHNSON of Colorado. Mr. President, that is not what I said, at all. That is a straining or stretching of what I said. What I said was that the Senate Finance Committee had done its level best on this bill. As the Senator from Virginia has described it, it has been a monumental task which should probably have taken 2 years to accomplish, and the committee performed that task in 2½ months. If this bill goes back to the committee, with the instructions which are contained in the Senator's motion, then I do not know what we could do except to give up.

Mr. MILLIKIN. Mr. President, I yield 3 minutes to the distinguished Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN. Mr. President, I fully agree with the complimentary remarks made concerning the Senate Finance Committee staff. The Senate Finance Committee and the House Ways and Means Committee are very fortunate in their staffs and the aid which they receive from the Treasury Department.

The Finance Committee started work on this bill on April 6, and it has continued up to this time. More than 150 witnesses were heard. In excess of 700 statements were received and digested by the staff and then considered by the committee. Thousands of letters were received from taxpayers all over the Nation and they were considered by members of the committee and by the staff.

Mr. President, I feel that this bill is a monumental effort. Many experts on taxation throughout the Nation tell me that it is the finest job on taxation which has ever been accomplished by the American Congress.

In closing, Mr. President, I wish to pay my respects to the chairman of the Finance Committee. He has worked long hours, and, in addition to that, has been a most intelligent leader.

I also wish to express my appreciation of the senior minority member of the committee, the distinguished senior Senator from Georgia. The Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE] have cooperated in a manner which has been most encouraging to all members of the committee.

Mr. President, I think it would be a most serious error to return this bill to the committee. I do not see what could be accomplished by such action. I feel that the bill as it is now amended should be promptly passed so that the conferees can get busy on it and expedite its enactment into law.

Mr. CARLSON. Mr. President, will the Senator from Colorado yield me 5 minutes?

Mr. MILLIKIN. Mr. President, I had promised to yield to the Senator from Kentucky. I yield him 5 minutes.

Mr. COOPER. Mr. President, I am not a member of the Senate Finance Committee. I had not intended to speak on the bill today. I wish to speak for a few minutes at this time because of the argument which has been made supporting the motion to recommit the pending tax bill, H. R. 8300. The argument is based on the assumption charged again and again throughout the debate, that the bill is designed to benefit corporations, the rich, and those in the upper-income brackets, and discriminate against those in the lower-income brackets.

This argument reached its climax yesterday in the debate upon the amendment to strike from the bill the provision which would have given some relief in connection with the tax on dividends. I am not an expert, but it is my recollection that some of the most competent economic and tax experts in the country have recommended for a long time that such relief in justice should be granted. In fact, it was provided at one time in our tax law. I voted against the amendment to strike it from the pending bill. I was one of the few who did vote against the amendment because I believed as a matter of principle that it was right to grant the relief. I say, frankly, that the argument which was made then, and which now reaches another climax in the charge that the bill aids the rich, those in the upper-income brackets and discriminates against people of low incomes, is not founded on fact, and offends every sense of justice.

I remember that the great and distinguished Senator from Colorado [Mr. JOHNSON] and the great and distinguished Senator from Virginia [Mr. BYRD], both members of the Democratic Party, the able and distinguished Senator from Delaware [Mr. WILLIAMS] and the great leader of the Finance Committee [Mr. MILLIKIN], who, day after day, week after week, month after month, have sought to make it possible to give this form of tax relief, all stated that in principle the dividend-credit provision was just. Because of revenue needs and budgetary conditions the Senators from Colorado, Delaware, and Virginia voted to delete the provision. I applaud their position, for it was one of principle.

Another argument which has been made continually against this bill, in fact against the fiscal and economic policy of this administration as expressed in the bill, is that it is a denial of the promise of the administration to balance the budget.

This argument was used against the very provision about which I have been speaking, the stock dividend credit provision and almost every tax reduction or tax relief the bill provides. The opponents have said that this bill will add to the budgetary deficits and that this administration is not living up to its promises to balance the budget. Yet, at the same time, Mr. President, we have

witnessed for 3 days the introduction of proposals by the very ones who have made the arguments which if they had been adopted would have added billions of dollars to the Treasury deficit. It is an inconsistent, indefensible position that they have taken. Prior to this time I have voted against any tax bill which I thought would add to the deficit and make tax benefits payable out of the deficit. I voted against the excise-tax-reduction bill for that reason a few weeks ago. I say it is a tenable position. But it is inconsistent to argue against deficits and then to offer amendments which would take billions of dollars of revenue from the Treasury.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. COOPER. May I have 2 additional minutes?

Mr. MILLIKIN. I yield 2 additional minutes to the Senator from Kentucky.

Mr. COOPER. In reference to the argument which has been advanced and to which I referred when I began my remarks, namely, that the bill is unjust, that its provisions are unjust, because they do not give relief to the lower income brackets, I wish every Senator could have heard the forceful statement just made by the distinguished senior Senator from Colorado [Mr. JOHNSON]. It was a complete refutation of that charge. I say it is ironic that those who have never given tax relief, and who have only added taxes, should advance the argument that this bill does not give sufficient tax relief.

The only tax relief which the country has had since 1945 has come during this administration, and because of its policies, within the last year and a half. If the amendments which have been offered by the opponents had been adopted, it would have meant the end of tax relief, and they know it. The only possibility for further tax relief is to continue the reasonable, progressive, moderate program of reducing expenditures and tax reductions simultaneously, which the administration has been doing, and which this tax bill itself proposes. Over \$8 billion have been saved and over \$7 billion have returned to the people in 4 tax reductions in the last year and a half.

I think it is rather remarkable that, despite all the changes which are proposed by the bill—and they are numerous revisions—practically no fault can be found with them. The bill represents a tremendous revision, the first thorough tax revision in 50 years.

But the opponents of the administration return always to their argument, the rich against the poor. I can only say that that argument offends the facts and justice and is wholly political.

I hope the motion to recommit will be rejected.

Mr. MILLIKIN. I yield 5 minutes to the distinguished junior Senator from Kansas.

Mr. CARLSON. Mr. President, in my opinion, the Senate is completing action on one of the most important pieces of tax legislation in the Nation's history. As was mentioned by the distinguished Senator from Virginia [Mr. BYRD], the tax laws of the United States were last

completely revised in 1876. The Federal tax take in 1876 was \$294 million. This year, when we are rewriting our tax laws, the tax take will be upward of \$60 billion.

I think it is most important that we review and modernize our tax structure in keeping with the times and the increased tax take.

In the midst of our consideration of specific issues involved in the details of this important tax bill, there is great danger that we may lose sight of the basic purposes.

This is basically a reform bill. The emphasis is not on tax reduction. While the bill involves the loss of a considerable amount of revenue, this is incidental to the fundamental purposes which are: To provide relief to taxpayers in unusual hardship situations; to remove obstacles to the expansion of private investment which is essential to the continued improvement of our national standard of living; to close loopholes in existing law; to clarify the tax law; to remove uncertainties; and to make it easier for the taxpayer to comply with his obligations under the law.

Relief is provided for millions of individual income taxpayers where most needed by such provisions as those relating to child-care expenses, unusual medical costs, and retirement income.

The expansion of business investment will be facilitated by a substantial improvement of the tax treatment of depreciation charges, by the extension of the net operating loss carryback, and by the liberalization of the treatment of business research and development costs and soil and water conservation expenditures of farmers.

Small business has a particular interest in these features of the bill. In addition, the revision of the tax on the undue accumulation of corporate surplus is designed specifically to eliminate the disturbing effect of this tax upon the decisions of small-business men. We know that small-business men have been uncertain as to their status under the existing law and have been unduly influenced by the threat of this penalty tax.

Small business will also benefit from the clarification of the law as it applies to partnerships, and from the substantial improvement in the rules relating to corporate recapitalizations and reorganizations, as well as from the option provided under the Finance Committee bill to allow certain partnerships to be taxed as corporations and certain small corporations to be taxed as partnerships.

This bill contains many items which close loopholes in existing law. Among them are provisions designed to reduce the practice of trafficking in loss corporations, to eliminate the use of so-called collapsible partnerships, and to tighten the provision of existing law designed to prevent the use of the collapsible corporation. Other provisions would eliminate certain avoidance schemes such as those which involve the amortization of bond premiums and single-payment annuity contracts.

The bill will make the burden of compliances with the law very much less difficult. Individual taxpayers have

been given more time to file their returns and a million of them have been relieved of the requirement for filing declarations of estimated tax.

Taxpayers generally will find the new law clearer and more definite. Paper work will be reduced.

We have waited a long time for a general revision bill. The need for overhaul has been recognized by several Congressional committees, by Democrats as well as Republicans. The urgency of reform has grown enormously as tax burdens have increased and as the law has become more complex through its piecemeal amendment during the past twenty-odd years. Taxpayer organizations, trade associations, professional organizations, and citizen groups have all urged legislation to remove inequities and to bring the tax structure into better alignment with the requirements of the American system of private enterprise.

The bill before us meets these long-felt and urgent needs for general revision and its enactment now is highly important to all taxpayers and to the soundness of our economy.

I sincerely hope that the Senate will not vote to recommit the bill.

Mr. DOUGLAS. Mr. President, I yield 6 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, I would not at all wish to imply that there are no good features contained in the bill. There are many good features. The bill closes a great many loopholes in the tax law. There are many well-justified provisions which will involve considerable loss to the Government, the accelerated depreciation provision being outstanding among them.

Nevertheless, I shall vote to recommit the bill to the Committee on Finance, where I have had the honor to work during the last 10 weeks in trying to perfect the bill.

I shall vote for the motion to recommit because I do not believe such recommitment would cause us to correct one great fundamental defect; namely, the bill does nothing whatsoever for the majority of the taxpayers of the Nation.

As I have pointed out previously to the Senate, since January 1, 1954, there has gone into effect about \$4,600,000,000 of income-tax relief. This bill will have a third year cost of about \$3,800,000,000. This will make a grand total of about \$8,400,000,000 of income-tax relief. Spread evenly among all taxpayers, that would have been enough tax relief to have given every family in America a reduction in its taxes of \$200 a year.

I say to Senators that when they go out to discuss the tax bill among their constituents, they can say: "My friends, I am pleased to tell you that we have made some tax reductions. I regret to say that for the great majority of you it will not save you 5 cents. But it manages to do well for the corporations. We have included a very fine provision for accelerated depreciation, which will not cost much more than \$350 million in the first year, and not much more than \$1 billion in the second year. Over a period of time it will not cost the Government much more than \$18 billion. But it is a good provision. It has merit and was

recommended. So we have managed to work out that provision for corporations and businessmen."

Yes, Senators can look their constituents in the eyes and say, "We have worked out various other adjustments. Those who have insurance policies will not be victimized by someone who is imposing unjust estate taxes when the policyholders die. We have closed about 50 minor loopholes in the tax law." But the Senators can then go on to say, "I am sorry, my friends, that the state of the economy would not permit us to allow you to save 5 cents in any of the tax-reduction proposals."

Senators can explain to the majority of their constituents that they regret that the social-security tax increases have more than offset any reduction in their personal-income tax. They can say that it is too bad, but the condition of the economy was such that Congress simply could not afford to give the average American any tax relief.

They can then proceed to explain that it was fortunate that from January 1, 1954, to the 3d year of the tax bill, there have been passed or will be passed, laws providing over \$8 billion in tax relief, enough to give every family that pays taxes \$200 relief, although the average citizen will receive no substantial relief whatsoever.

Mr. President, some persons are going to try to mislead or confuse the American public. I hold in my hand a copy of today's Washington Evening Star, on the front page of which is a cartoon. In the cartoon there is depicted a Republican Senator on one side and a Democratic Senator on the other side, both patting "J. Taxpayer" on the back. They are both saying the same thing, "I certainly tried my best to help you, John." One of the Senators has in his back pocket a document labeled "Rejected tax-cut plan," and on his coat are written the words "Senate Democrats." The other Senator has in his back pocket another document, "Rejected tax-cut plan," and on his coat are written the words "Senate Republicans."

Mr. President, 47 Republicans voted for the so-called Millikin substitute for the George amendment. After the substitute failed, they proceeded to vote to kill the George amendment. So the George amendment, raising individual exemptions, did not go into the bill.

In an attempt to offset that result, I offered what I believed was an improved version of the Millikin amendment, in an attempt to meet the objections expressed by the Republican Senators. I am pleased to say that 30 Democrats voted to support my amendment. Only three Republicans voted in favor of it.

How can we explain to the American public that the Republicans knocked out the Democrats' proposal, and the Democrats knocked out the Republicans' proposal, and as a result John Q. Public received not one 5-cent piece in relief in a bill which will cost three billion eight hundred million dollars?

For my part, I shall explain that I voted for the George amendment, and I voted against the Millikin substitute,

which would have had no other effect than that of reducing by half the tax benefits to taxpaying families.

When the George amendment was not adopted, I tried to offer what I believed to be a properly drawn amendment to retain the best feature of the amendment previously offered by the Senator from Colorado [Mr. MILLIKIN]. Nevertheless, all those efforts failed.

If 47 Republicans are sincere in wanting to reduce the taxes of the average taxpayer, and if there are more than 40 Democrats who are sincere in wanting to reduce the burden on the average taxpayer, we should let the Finance Committee take another look at the proposed legislation, and see if it cannot succeed in carrying out what more than 90 percent of the Senators would have us believe is the will of the Senate.

It would be ridiculous to have had all the tax relief which has been granted since January 1, and still have to report to the average taxpayer that he had been granted no tax relief, although 90 percent of the Senators wanted to grant him relief. Every time there has been an effort to grant the average taxpayer relief, the Senate has knocked out the proposal. That is why I shall support the motion to recommit. I shall do so in the hope that we can work out a way of granting tax relief to John Q. Public, in view of the fact that billions in tax relief have been granted to corporations and other privileged taxpayers.

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

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. DOUGLAS. Mr. President, I yield 3 additional minutes to the Senator from Louisiana.

Mr. LONG. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. In his summary, the Senator from Louisiana quickly passed over an explanation of the amendment which the Senator proposed on yesterday, which was, as I understood at that time, a proposal which steered down through the middle of the George amendment and the Millikin amendment.

I think the RECORD again at this point ought to be crystal clear that the amendment of the Senator from Louisiana, while it contained in essence the \$20 tax credit provision, also eliminated the many opportunities for getting tax credit which were found in the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

The amendment of the Senator from Louisiana did not include an exemption for dependents, but did include a tax credit of \$20 for each taxpayer.

May I ask the Senator from Louisiana if the opportunity for any Senator who really wanted to grant tax relief to the individual taxpayer was not at the time of the vote on the Senator's proposal?

Mr. LONG. It would seem to me that was the opportunity for both Democrats and Republicans to have combined their efforts to make sure every taxpayer would have some tax relief. I would

have thought that was the least that Senators could have done. I regret to say that some of the arguments made against my proposal would not hold up under scrutiny. The proposal was made to strike out the \$50-tax exclusion for dividend income, and to substitute for that provision a proposal to grant a \$20 tax credit.

I recall that a Senator made the argument that the adoption of such a proposal would result in granting a \$20 tax credit to a person having an income of \$10,000. The proposal certainly would have done that. True, my amendment would have aided the rich as well as the poor. However, I was offering that as a substitute, and proposing to strike out a provision which would not aid the average income taxpayer, because it would exempt from taxation the first \$50 of income from dividends.

Mr. HUMPHREY. Does not the Senator regard the motion of the Senator from Illinois as an opportunity for the Finance Committee to afford positive, broad relief for the average taxpayer?

Mr. LONG. I think the Finance Committee should go back into session and consider the amendment offered by the distinguished chairman of the Finance Committee, in an effort to make sure that the average taxpayer will get relief, rather than merely the privileged 40 or 50 percent of the American taxpayers.

Mr. GEORGE. Mr. President—

Mr. MILLIKIN. I yield 5 minutes to the Senator from Georgia, or as much time as he may desire.

Mr. GEORGE. I hardly think I shall consume 5 minutes. Unfortunately, because of illness, I was not able to attend the hearings on the bill; but I have been with the committee in the writing of the bill, that is, in the executive sessions, while the committee was working on the bill itself.

I suppose no one would claim this to be a perfect tax bill. Speaking broadly, there are no perfect tax bills. In January there was an elimination of the excess-profits tax, which relieved the American taxpayers who were affected by about \$2 billion in taxes, on an annual basis. In January there was an across-the-board percentage-wise reduction in individual income tax rates, which relieved individual taxpayers of the payment of a little more than \$3 billion, on an annual basis. Then later there was a reduction in the excise taxes, which relieved American industry and the American taxpayers of about \$1 billion in taxes. The bill now before the Senate will relieve the American taxpayers of about \$1,400,000,000 in taxes. I am not able to state the precise amount.

I think it is accurate to state, Mr. President, that the relief of taxes to the extent indicated is, within itself, a stabilizing influence on the economy. I have no doubt that the reductions in taxes which have taken place since January 1 of this year have been one of the strong influences in stabilizing our economy and, I hope, in starting it in the right direction.

I think that in many respects the bill is a definite improvement over existing law. It may not represent an improve-

ment in certain other respects, because it was impossible to examine into every section of the revenue laws and study each section carefully, in the limited time in which the Committee on Finance had to work on the matter. But certainly there are in the bill some provisions in regard to matters that have long called for remedial treatment. One is the loss carry back and loss carry forward provisions, which tend to equalize the actual taxes or taxable profits of taxpayers. Another is the depreciation provision. It might have been possible that the depreciation provision could have been written in somewhat a different way which might have appealed to many persons as being a bit more equitable; but certainly it is highly desirable to make it possible for industries, shops, and producers in the United States to be able to provide new machines, and new machine tools, every 10 years. I think that would be a great forward step in our economy.

I do not undertake to recount all the other provisions of the bill; but I feel that, on the whole, this bill is a good one. I feel that if nothing else could be said for the bill, it can be said that the bill represents a fair attempt to provide equitable relief to taxpayers in all categories with hardship cases that have been brought to our attention within the limited time available for us to review those complaints; and the lifting of the burden of taxes on the American people by approximately \$7 billion or more in this year is, beyond all doubt, a very, very strong influence for a sound economy in the Nation.

Therefore, Mr. President, I will vote against the motion to recommit, and I will vote for the bill.

Mr. HOLLAND. Mr. President, will the Senator from Colorado yield 5 minutes to me?

Mr. MILLIKIN. First, Mr. President, let me inquire how much time remains to me?

The PRESIDING OFFICER. The Senator from Colorado has 26 minutes remaining.

Mr. MILLIKIN. If the Senator from Florida will be willing to wait briefly, first, I desire to yield 3 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. BENNETT. Mr. President, as the newest and the youngest member on the majority side of the Finance Committee, I desire to express my confidence in the leadership of the committee.

In the short time I have been a Member of the Senate, I have never served on a committee all of whose members work more objectively in the solution of the problems facing them.

As the Senator from Georgia has said, there can never be a perfect tax bill. However, it seems to me that a vote in favor of agreeing to the motion of the Senator from Illinois will be a vote of no confidence in the committee and its members, including its senior members, who have had years and years of experience in wrestling with problems of this kind. As the junior member, I have

been literally amazed at their knowledge and their devotion to the task; and I am glad to be able to point out that their devotion has matched their knowledge.

I know of no other bill on which I have ever worked that has been approached with such great objectivity, and I certainly could not agree to scrap 10 or 11 weeks of earnest, sincere, hard work and direct the committee to attempt to write the bill on the basis of the proposals made on the floor of the Senate in the heat of the kind of debate to which we have listened during the past several days.

So, Mr. President, I shall vote against the motion to recommit, and I shall vote for the bill, in order to express my confidence in my fellow members of the committee and in their earnest and sincere work over the past 10 weeks.

Mr. HOLLAND. Mr. President, will the Senator from Colorado yield to me at this time?

Mr. MILLIKIN. Let me inquire how much time the Senator from Florida wishes to have me yield to him.

Mr. HOLLAND. I should like to have 5 minutes.

Mr. MILLIKIN. Very well; I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. MILLIKIN. Let me state to the Senator from Florida that if he finds 5 minutes insufficient, I shall be glad to have him request more time.

Mr. HOLLAND. I thank the Senator from Colorado. I believe 5 minutes will be sufficient.

First, Mr. President, I wish to express my deep appreciation to the distinguished chairman and to every other member of the committee, not only for the very great task they have performed so well, but also for the numerous occasions on which they have shown courtesies to me and to members of my staff and, I am sure, to all other Senators and the members of their staffs, and to many, many citizens, when we have carried to the committee, or its staff, questions which have been brought to our attention by citizens of our respective States.

Personally, I have carried perhaps several dozen such matters to members of the Finance Committee or to members of the committee staff. I wish to have the RECORD show not only that those matters were courteously and capably handled, but that they were by no means handled by any "yes" process, because I think it would be safe to say that on at least one-half of the occasions on which business of one kind or another in my State felt that an injustice now existed in the tax law and should be corrected, the staff member or the committee member I approached, after study, said to us quite frankly that there was a good reason why that particular situation should not be and could not be changed. I am glad that is the attitude of the members of the committee and their staff.

Mr. President, I believe that, in the main, this bill is a very fine and constructive one. It has been built on an

immense amount of research by the most capable men we have; I refer not only to the members of the committees in the Senate and the House of Representatives, but also to the staffs of the respective committees, whose staff members have the finest of training in this specialized field.

It grieves me to have anyone discount the value of this monumental task, because I know, of my own knowledge, of so many helpful and fine provisions in the bill.

Insofar as the citizens of my State are concerned, let me say that we have received literally hundreds of letters on one point alone, namely, the desire of persons who are retired under various programs—and in our State we have many thousands of persons in that category, who have come to our State from literally all over the United States—I refer to such persons as retired teachers, retired policemen, firemen, and others who are retired—to be relieved from what they believe to be discrimination against them because retired employees under the Federal system were given certain income-tax credits, whereas retired employees under State or other public or private system were denied such credits. I am very happy that the bill takes care of that situation equitably; and, in respect to our State, the bill certainly takes care of many thousands of retired persons of very modest income, who now will be entitled to feel that when they pay their taxes, they are being treated on the same basis on which other persons in the same or similar categories are being treated.

I could mention various other splendid provisions of the bill, Mr. President—among them, the provision for giving conservation practice credits to farmers. That provision applies not only to big farmers, but also to small farmers in every part of the Nation. I am very glad that provision is in the bill. It is in the public interest to encourage conservation practices by those who produce from our soil.

There is also the provision for increased tax credit for payments to doctors and dentists and for other medical expenses. Certainly every group of our people, including every group of poor people, is affected by that provision, because, unfortunately, whether rich or poor, all of us have the misfortune of having illness come, at times, to members of our families and to ourselves.

Mr. President, I could mention various other fine provisions of the bill but lack of time prevents me from doing so. In particular, Mr. President, I must mention the matter of the giving of some tax relief to those who receive dividends from corporate stock. During the debate it has already been stated that the only class of taxpayers on whom the wartime tax—in that case it was an extra tax of 5 percent, and was called the Korean-war tax—is to be reenacted is the corporations. Out of that additional reenacted tax, amounting in a year to approximately \$1,200,000,000 of Federal revenue, there is allowed in the bill a pitifully small sum, amounting to approximately \$46 million, under section 116 of the bill, to go, not just to the big

taxpayers, but equally to all taxpayers, both big and small who receive dividends, as deductions from gross income.

Mr. President, though this is only a beginning, I am glad we are making a step in that direction, because I do not believe that any Member of the Senate feels that the system of double taxation which has prevailed, and still prevails on our 6 or 7 million citizens who own stock, is fair or equitable.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLAND. May I be allowed 1 more minute, to make an additional point?

Mr. MILLIKIN. I am glad to yield an additional minute to the Senator from Florida.

Mr. HOLLAND. I have been particularly unimpressed by a fallacious argument which has been made from time to time on this floor during the debate, to the effect that the 10 percent reduction of income tax which accrued to all individual taxpayers on January 1 of this year has been of no force and effect as to wage earners because of the fact that their payroll taxes for social security went up at the same time. These payroll taxes did go up at that time, but they are supplemented by an additional equal amount paid by the employers. What is happening is that good insurance—good old-age protection—at a better rate than it can be bought from any private insurer, is being purchased by these people who are having those deductions made, and they are making a very fine investment out of that additional amount of payroll tax, doubled, as it is, by the contribution of their employers. My time is up. I shall vote against the motion to recommit, and for the bill, with a great deal of pleasure.

Mr. MILLIKIN. I thank the Senator.

Mr. FREAR. Mr. President, will the chairman of the committee allow me 1 minute?

Mr. MILLIKIN. Gladly.

Mr. FREAR. Mr. President, I wish to pay high tribute to and to compliment the chairman of the committee and the ranking minority Member for the exercise of great patience in the undertaking which the Finance Committee has just carried through in rewriting the tax laws of the Nation.

Technical as this bill is, the cooperation of members of the committee, the staff, and representatives of the Treasury Department, in my opinion, has been unexcelled. Truly the bill is not all that we would like to have. I am very sorry that we could not obtain an increase in the personal exemptions, but I believe there will be another tax bill, in connection with which we shall have another opportunity.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. FREAR. May I have another minute?

Mr. MILLIKIN. I yield 1 more minute to the Senator from Delaware.

Mr. FREAR. I have great sympathy for the motion of the Senator from Illinois, but after all the work that has been put in on the bill, I believe it would be a great sacrifice to recommit it. I

shall therefore vote against the motion to recommit and in favor of the passage of the bill.

The PRESIDING OFFICER. The Senator from Colorado has 12 minutes left.

Mr. MILLIKIN. I yield not to exceed 5 minutes to the junior Senator from Florida.

Mr. SMATHERS. Mr. President, a moment ago the able Senator from Utah [Mr. BENNETT] said that he was the freshman, the new member on the Republican side of the committee, and that he hesitated for that reason to make an assertion.

I may say that I am the youngest, most unsophisticated member on the minority side. I have been a member of the committee for only the past 3½ weeks, but I feel impelled to add my small voice in behalf of this particular bill.

When I became a member of the committee about 3½ weeks ago I was greatly impressed by two things. The first was the complete diligence of members of the committee in conducting their work. I have been a member of other committees of the Senate, and when a meeting was set for 10 o'clock, the members would arrive at 10:30, adjourn at 12 for a leisurely luncheon, meet in the afternoon supposedly at 2 o'clock, with the members arriving at 3, and remain in session for an hour or so.

On the Finance Committee, if I arrived possibly 10 or 15 minutes late, I would find almost every other member of the committee in his seat listening to members of the staff as they went through this very detailed and complex bill. That happened not only upon 1 occasion, not for 1 week or 2 weeks, but for the entire time I have been on the committee.

I wish to join with other Senators in paying tribute to the able Senator from Colorado [Mr. MILLIKIN], the able Senator from Georgia [Mr. GEORGE], and all the other members of the committee for the diligence they showed in trying to do what was right, so far as the taxpayer is concerned, in connection with the tax relief and revision program.

I also pay my tribute to Mr. Stam and his very able staff. I have never before been associated with a group of young men who knew their job better than do these men.

I was also greatly impressed by the concern which the chairman and other members of the committee had, not for the big taxpayer, not for the big corporation, but for the small taxpayer. In every instance the chairman would say to the representative of the Treasury Department, "Let me ask you an honest question. What is best for the taxpayer? What do you honestly think about this provision? Is it going to hurt the taxpayer?"

Every time the Treasury representative or the staff representative would make a statement, the committee would vote, at the suggestion of one of the members of the committee, in the light of what was best for the taxpayers, not what was best for the big corporations or the very rich people.

I do not believe that this is a rich man's bill. Obviously there are some

provisions in it which will help the rich man. Obviously there are some provisions in it which will help the large corporations. But when one goes through the list of provisions in the bill and examines them from the standpoint of what is good for small business and what is good for the average individual taxpayer, he finds provision after provision designed for the sole purpose of giving relief to the ordinary taxpayer, the taxpayer in the lower-income brackets.

Let me mention only a few of such provisions. The first item is "Employees not taxed on employer contributions or proceeds of self-insured accident and health plans." That is not designed to help the rich man.

The next item is, "Exemption of rental allowances paid ministers of the gospel." That is not designed to help the rich man.

The next item is "Meals and lodging furnished for convenience of employer exempt." That is not designed to help the rich man or the big corporation.

The next item is "Exemption of subsistence allowances furnished to State police." No one ever accused the State police of being rich.

The next item is, "Taxes and interest paid to cooperative housing corporations." That provision was not designed to help the rich man who lives on the river in a house full of servants.

The next item is the retirement income credit, which will cost the Treasury \$141 million. Was that designed to help the rich man? Obviously not.

The next item is "Extension of dependency credit." We have broadened the scope of the bill so that if a person has a foster son or daughter, there is a further exemption.

The next item is "Exemption for certain dependents regardless of earnings." A farmer can put his son in a 4-H Club, and the son can work and make some money, but the farmer may still claim him as a dependent.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. MILLIKIN. Mr. President, I yield the Senator from Florida 1 minute additional.

Mr. SMATHERS. I conclude by saying that as one goes through the bill item by item, obviously he finds that there are some provisions which will benefit the rich. Strangely enough, the depreciation allowance was recommended by the Small Business Committee. The statement that it is solely for the purpose of helping the rich is not quite true to the facts. Small business people wanted it, too.

When we look over the bill, I think it is only fair to bear in mind that it is supposed to be a revision bill. The net cost will be nothing. If we keep the corporation tax high, the bill will pay for itself. I think it is a good bill.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, there is one aspect of the bill which has not hitherto been noted.

The provisions which relate to retired firemen, the provisions which relate to retired schoolteachers, the provisions which relate to babysitters hired by widows, and so forth, show no great increase in cost in the second and third years. Senators will find that all those provisions reflect their full cost in the first year. The cost does not grow as time goes by.

The cost of this bill was originally \$1,400,000,000 in the first year. We have stricken certain provisions, and have brought the cost down to about \$1,200,000,000. However, Senators should know that the cost of many items grows from year to year. The cost of helping a retired fireman does not grow. It remains constant.

The relief for paying a babysitter does not grow; that remains constant. When we consider the \$1,200,000,000 cost in the first year, and subtract it from the \$3,800,000,000 cost in the third year, we have a difference of \$2,600,000,000. I should like to know how that will benefit a sick person or a mother with a babysitter.

I agree that the benefits to corporations are for the most part justified, but they grow and grow from year to year. Let us consider the figures that are given and we see how they grow. There are things in the bill that relate to widows, things that relate to sick persons, and a few little things that extend health insurance policies. We find that their cost tends to remain constant.

The bill has many good provisions, but I do regret that we have nothing in the bill from which the average taxpayer would benefit.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. If there are no further requests for time, the question is on the motion to recommit. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the senior Senator from Wisconsin [Mr. WILEY] are necessarily absent. If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from New Jersey [Mr. SMITH] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Missouri [Mr. HENNING], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Louisiana [Mr. ELLENDER] would vote "nay."

The result was announced—yeas 15, nays 62, as follows:

YEAS—15

Anderson	Jackson	McCarran
Chavez	Lehman	Morse
Douglas	Long	Murray
Fulbright	Magnuson	Russell
Humphrey	Mansfield	Sparkman

NAYS—62

Aiken	Dworshak	Martin
Barrett	Ervin	Millikin
Beall	Ferguson	Monroney
Bennett	Frear	Mundt
Bowring	George	Nelsy
Bricker	Goldwater	Pastore
Bridges	Gore	Payne
Burke	Green	Potter
Bush	Hayden	Purtell
Butler	Hendrickson	Schoeppel
Byrd	Hickenlooper	Smathers
Capehart	Holland	Smith, Maine
Carlson	Ives	Stennis
Case	Johnson, Colo.	Symington
Clements	Johnson, Tex.	Thye
Cooper	Kennedy	Upton
Cordon	Knowland	Watkins
Crippa	Kuchel	Welker
Daniel	Langer	Williams
Dirksen	Lennon	Young
Duff	Malone	

NOT VOTING—18

Eastland	Jenner	McCarthy
Ellender	Johnston, S. C.	McClellan
Flanders	Kefauver	Robertson
Gillette	Kerr	Saltonstall
Hennings	Kilgore	Smith, N. J.
Hill	Maybank	Wiley

So Mr. DOUGLAS' motion to recommit was rejected.

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

Mr. MILLIKIN. Mr. President, I send to the desk and ask to have considered amendments correcting clerical and drafting errors. There is no question of substance involved. I ask unanimous consent that they may be printed in the Record and considered.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Colorado will be considered en bloc and printed in the Record.

The amendments offered by Mr. MILLIKIN are as follows:

On page 51 of the bill, in section 172 (d) (4) (B), strike out "(3), and (6)" and insert "and (3)."

On page 54 of the bill, in the table of sections, strike out "Child care expenses" and insert in lieu thereof "Expenses for care of certain dependents."

On page 406 of the committee amendments, strike out lines 20 and 21 and insert: "(489) On page 720, in section 6601 (g), strike out '6015' and insert '6153 (or section 59 of the Internal Revenue Code of 1939) or section 6154.'"

On page 426, after line 11 of the committee amendments, insert:

"(D) In the case of a taxable year beginning after March 31, 1954, sections 244, 247, and 922 of this title shall apply without regard to whether such taxable year ends before, on, or after the date of enactment of this title."

On page 725 of the bill, at the end of section 6654, insert:

"(h) Applicability: This section shall apply only with respect to taxable years beginning after December 31, 1954; and section 294 (d) of the Internal Revenue Code of 1939 shall

continue in force with respect to taxable years beginning before January 1, 1955."

Strike out the sidenotes appearing in the margins of the bill.

On page 585 of the bill, in section 5318, strike out "section 5636" each place it appears and insert "sections 5001 (a) (6), (8), and (b), 5004 (b), 5005 (c), 5007 (d), 5011 (c), 5636, and 7302."

On page 643 of the bill, at the end of section 5851, insert "Whenever on trial for a violation of this section the defendant is shown to have or to have had possession of such firearm, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains such possession to the satisfaction of the jury."

On page 63 of the bill, at the end of section 267 (d), insert: "This subsection shall not apply if the loss sustained by the transferor is not allowable to the transferor as a deduction by reason of section 1091 (relating to wash sales) or by reason of section 118 of the Internal Revenue Code of 1939."

On page 90, in section 318 (a) (2) (B), strike out line 12 and insert in lieu thereof "Being owned by its beneficiaries in proportion to the actuarial interest of such beneficiaries in such trust."

On page 813 of the House bill, at the end of section 7851 (a) (4), insert "Section 2450 (a) of the Internal Revenue Code of 1939 (as amended by the Excise Tax Reduction Act of 1954) applies to the period beginning on April 1, 1954, and ending on December 31, 1954."

On page 429 of the House bill, in section 4082 (c), strike out "gasoline" and insert "gasoline or of special motor fuels referred to in section 4041 (b)."

On page 703 of the House bill, in section 6416 (b) (2), strike out the period at the end of subparagraph (H) and insert a semicolon and after subparagraph (H) insert:

"(H) In the use of gasoline, used in the production of special motor fuels referred to in section 4041 (b)."

On page 813 of the House bill, at the end of section 7851 (a) (4), insert "Provisions having the same effect as section 6416 (b) (2) (H), and so much of section 4082 (c) as refers to special motor fuels, shall be considered to be included in the Internal Revenue Code of 1939 effective as of May 1, 1954."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Colorado [Mr. MILLIKIN].

The amendments were agreed to.

Mr. MONRONEY. Mr. President, I call up an amendment which is at the desk and which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Oklahoma [Mr. MONRONEY].

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert:

That the following provisions of the Internal Revenue Code are hereby amended by striking out "1954" each place it appears therein and inserting in lieu thereof "1955":

(1) paragraphs (2) and (3) of section 13 (b);

(2) subsections (b) (2), (h) (1), and (1) of section 26;

(3) section 108 (k);

(4) paragraphs (1) and (3) of section 207 (a);

(5) paragraph (3) of section 362 (b); and

(6) paragraph (1) of section 421 (a).

Amend the title so as to read: "An act to extend the 52-percent corporate tax rate for 1 year."

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I understand this is the same amendment which was originally offered by the Senator from Virginia [Mr. ROBERTSON].

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. May I inquire how much time is left for the proponents of the amendment?

The PRESIDING OFFICER. The Chair will advise the Senator that the proponents of the amendment have 15 minutes, and there are 55 minutes left for the opposition.

Mr. MONRONEY. Mr. President, this is a very simple amendment. It is so simple that I believe we can understand directly what we are doing if we agree to this amendment. I doubt very seriously that there is any Senator in the Chamber, except perhaps some of the specialists who have served many years on the Finance Committee, who can possibly be aware of all the implications and, perhaps, unintentional loopholes and some intentional special treatment for various special industries and special types of taxpayers.

The argument was made by the chairman of the Finance Committee against another bill in this Chamber a week ago that we dare not extend the Reciprocal Trade Agreements Act for 3 more years or dare not lower by 5 percent our tariff walls. The argument was made that we had not had sufficient time to understand the implications of that bill, a bill with which we have had some 15 years' experience. I believe the argument which was made at that time against reciprocal trade agreements could be better made against this bill, which, in printed form, looks like the New York City telephone directory and contains almost as many numbers. Therefore, Mr. President, in the interest of trying to put the issues simply before the people, I believe this bill does absolutely nothing in the way of revising the Internal Revenue Code as we know it except to extend the 52 percent high level corporate tax rate for another year. All the special gimmicks, all the life insurance, all the amortization, all the things we have debated on the floor for 3 days are not included in this bill. There is no question of giving to the income-tax payer, the head of a household, \$100 additional exemption or \$20 or \$25 additional exemption. The reason why there is no such a provision in this bill, Mr. President, is, as has been said, that it is fundamentally bad policy to borrow money to make tax cuts. Yet no Senator in this Chamber can say we are not going to give away in the neighborhood of from \$1 billion to \$1,700,000,000 the first year and increase the loss of Federal revenue in succeeding years. No one can say what this giveaway of Uncle Sam's revenue will cost if we pass this bill.

It has been said, Mr. President, that we have cut taxes by \$8 billion. The Government is \$3,300,000,000 in the red this year, and, if I am not badly mistaken it will be \$5 billion in the red at the end of the next fiscal year if we pass this bill to give special tax reductions to those

who, I feel, at this dark point in history, need it the very least.

Therefore, Mr. President, I believe we should take heed of those who have said we should have a sound fiscal policy. We heard it ringing from every Republican platform for nearly 20 years, and yet the administration has had to reverse that sound fiscal policy and has led us into more and more tax cuts under the assumption that we were saving money in appropriations.

I have had the Library of Congress check the figures, and I find that the only year in which the expenditures of the Government—and that is what we have to provide for by taxes—have been higher than they are today, or higher than they will be this coming year, was the peak year of the Korean war. Yet, Mr. President, we go merrily on cutting taxes; we go merrily on raising the debt limit by \$15 billion.

Surely, I know there are some gimmicks in the bill which may look good to working mothers. I know there are gimmicks in the bill which will give a small bit of tax relief for medical expense. I know there are other vote-appealing items in the bill which are intended to appeal to a small number of people who may get a meager degree of tax relief. But I think we are dropping a dime in the tin cup of this group of people. I believe we are trying to deodorize a tax bill which I feel gives a preponderant amount of relief to those who need it least. We are placing emphasis on tax relief for the means of production, rather than on the means of consumption.

So in the interest of sound fiscal policy, in the interest of recognizing the dire dangers which lie ahead, as we see vast areas of the globe falling behind the Iron Curtain of communism, as we hear the Committee on Appropriations saying that three combat-ready divisions must be eliminated from our armed services because we are so poor, I do not think the bill should pass. If we are that poor, then I do not think we are rich enough to make such a tax cut as this bill provides.

So, Mr. President, I think this is the simplest amendment which has been before this great body. I think it is one which all can understand. We can argue among ourselves until we are black in the face, but when we get home, and are by ourselves, we will realize that the fiscal stability of the United States of America is the best safeguard we have for our prosperity, yes, for our continued existence in this troubled world.

This is a poor time in which to pass a tax bill of some 900 pages. It is a poor time to have to rush down the line with a revision of the tax laws.

The American Bar Association, which I deeply respect, has suggested that it would be far better to allow the bill to lie over until the next session of Congress, so that the spotlight of careful examination could be placed on every page and every paragraph, and so that we could have the advice of everyone as to exactly what the bill does and whom it helps.

I do not think anyone will be severely penalized or inconvenienced by carrying the present normal load of taxation.

Difficult and hard to pay though it is, we realize the crisis we face, the demands of national defense at home, and the defense we have to maintain in an unstable world, to protect the economy of the Nation, the Government's fiscal position, and the soundness of the United States of America.

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

Mr. MONRONEY. I yield.

Mr. GORE. I wish to compliment the Senator from Oklahoma for offering his amendment. I have just voted with the distinguished Senator against the motion to recommit the bill with instructions to the committee to report a bill providing additional tax reductions. As I understand the amendment offered by the Senator from Oklahoma, it will continue the present tax law and the corporate rates at the levels obtaining when they last expired.

Mr. MONRONEY. That is correct.

Mr. GORE. I do not wish the vote I shall cast in favor of the Senator's amendment to be interpreted as being any reflection whatsoever upon the Senate Committee on Finance. I wish to compliment that committee upon the diligent job it has done. However, the Senator has referred to the recommendation of the American Bar Association. In the context of that recommendation, the House bill, which was praised so loudly as it proceeded through that body as being a grand job of tax rewriting, came to the Senate committee, and the Senate committee found it necessary to report amendments comprising 421 pages. I submit to the junior Senator from Oklahoma that more time is needed to consider the amendments.

So many flaws have been discovered in the bill as it came to the Senate that this constitutes evidence that additional time is necessary.

Let me read briefly to the Senator from the statement of J. S. Seidman, general chairman of the committee on Federal taxation of the American Institute of Accountants, who said:

The American Institute of Accountants is the national organization of certified public accountants, with a membership of over 23,000. The Institute appreciates your willingness to hear it.

Our own tax committee, composed of over 30 CPAs from all over the country, and whose life's work is taxes, has been engaged in intensive study of H. R. 8300 since the bill was released a month ago. But we can hardly lay claim to understanding all its provisions, no less mastering them. That is particularly true of the area from which business draws so much of its daily life blood—corporate and partnership organizations, distributions, liquidations, and reorganizations.

Thus the organization of public accountants recommends postponement. So does the tax committee of the association of the bar of the city of New York.

What is the haste? What compelling need is there to change the present internal revenue statute? Surely, with the debate which has been held in the House and the debate which has been held in the Senate, we can reconsider next year the problem of tax revision with much more light and learning.

There is nothing urgent about the passage of the bill. The amendment of the Senator from Oklahoma is simple. It will add to understanding throughout the country, but the passage of the pending bill will add greatly to uncertainty and misunderstanding. In fact, one tax lawyer told me this morning that the bill would be a bonanza for tax lawyers. That may or may not be so. I hope it will not be so if the bill becomes law.

I do not wish my vote to be interpreted as being any reflection upon the patriotism, the diligence, and the good intentions of the Senate Committee on Finance. They have done perhaps as good a job as they could do under the circumstances, but I maintain that the bill has not had sufficient study. I say unqualifiedly—at least, I say without expectation of successful contradiction—that no Member of the Senate fully understands one-half of the provisions of the bill. Therefore, I join the Senator in support of his amendment.

Mr. MONRONEY. I thank the distinguished Senator from Tennessee. I share with him admiration and deep respect for all members of the Committee on Finance. However, I believe the importance of correctly understanding, carefully studying, and writing into law proper provisions of taxation is such that the country will not be damaged by a delay of several months, until the bill can be better understood.

Uncle Sam certainly will be helped to the extent of dollars by the postponement of tax reductions at this critical time.

Since our action on the bill will indicate whether we are in favor of cutting taxes, and borrowing money to make up for the tax cut, or whether we are to pass the only section of the bill which provides for the continuation of an expiring tax, I hope all Members of the Senate will agree to my request for the yeas and nays.

Mr. President, on my amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

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

The PRESIDING OFFICER. The chairman of the committee has time remaining, and the Senator from Oklahoma has 3 minutes remaining.

Mr. MILLIKIN. The arguments which have been made in behalf of the amendment are, in one form or another, a repetition of the arguments which were made on the last question on which the Senate voted. The Senate voted, 62 to 13, to reject the motion to recommit. The same arguments were made on the motion as have been made in connection with the amendment of the Senator from Oklahoma. I simply wish to give one illustration to show that the arguments are perhaps not sound. Reference was made to the American Bar Association. I have before me a statement made by Thomas N. Tarleau, chairman of the section of taxation, American Bar Association, in which Mr. Tarleau says, in the last paragraph:

Perhaps no more far-reaching or beneficial revision of this major area of tax law could

have been expected of any one tax bill than is accomplished by the Senate version of subchapter (c).

Subchapter (c) was the subchapter toward which the most objections were raised by the Bar Association witnesses. The committee heard the witnesses painstakingly, and we have made numerous corrections in order to adjust ourselves to their views.

I continue to read from Mr. Tarleau's statement:

For that reason, and in view of the intense and invaluable work which has been done on subchapter (c) by the Senate Finance Committee members, Treasury and congressional experts, and the representatives of professional groups who have conferred with them, it is hoped that subchapter (c) will shortly be enacted in substantially its present form.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. BENNETT in the chair). The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. MONRONEY].

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back the remainder of his time?

Mr. MONRONEY. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Colorado yield back the time remaining to him?

Mr. MILLIKIN. Yes, I do.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY], which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert:

That the following provisions of the Internal Revenue Code are hereby amended by striking out "1954" each place it appears therein and inserting in lieu thereof "1955":

- (1) paragraphs (2) and (3) of section 13 (b);
- (2) subsections (b) (2), (h) (1), and (1) of section 26;
- (3) section 108 (k);
- (4) paragraphs (1) and (3) of section 207 (a);
- (5) paragraph (3) of section 362 (b); and
- (6) paragraph (1) of section 421 (a).

Mr. MONRONEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the senior Senator from Wisconsin [Mr. WILEY] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

On this vote the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay" and the Senator from Virginia [Mr. ROBERTSON] would vote "yea."

Mr. CLEMENTS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from South Carolina [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. LENNON], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

I announce further that the Senator from Louisiana [Mr. ELLENDER] is paired on this vote with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from South Carolina would vote "yea."

The Senator from Virginia [Mr. ROBERTSON] is paired on this vote with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Massachusetts would vote "nay."

I also announce that, if present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Missouri [Mr. HENNINGS] would vote "yea."

The result was announced—yeas 15, nays 58, as follows:

YEAS—15

Chavez	Magnuson	Murray
Fulbright	Mansfield	Russell
Gore	McCarran	Sparkman
Jackson	Monroney	Stennis
Johnson, Colo.	Morse	Williams

NAYS—58

Aiken	Douglas	Malone
Anderson	Duff	Martin
Barrett	Dworshak	Millikin
Beall	Ervin	Mundt
Bennett	Ferguson	Neely
Bowring	Frear	Pastore
Bricker	George	Payne
Bridges	Goldwater	Potter
Burke	Hayden	Purtell
Bush	Hendrickson	Schoeppel
Butler	Hickenlooper	Smathers
Capehart	Holland	Smith, Maine
Carlson	Humphrey	Symington
Case	Ives	Thye
Clements	Johnson, Tex.	Upton
Cooper	Kennedy	Watkins
Cordon	Knowland	Welker
Crippa	Kuchel	Young
Daniel	Langer	
Dirksen	Long	

NOT VOTING—22

Byrd	Gillette	Jenner
Eastland	Green	Johnston, S. C.
Ellender	Hennings	Kefauver
Flanders	Hill	Kerr

Kilgore
Lehman
Lennon
Maybank

McCarthy
McClellan
Robertson
Saltonstall

Smith, N. J.
Wiley

So Mr. MONRONEY's amendment was rejected.

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

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

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

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

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

Mr. JOHNSON of Texas. According to my understanding, the unanimous-consent agreement provides that debate upon the bill shall be limited to not exceeding four hours, to be divided equally and controlled, respectively, by the chairman of the committee and the minority leader. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of the two hours under the control of the minority leader, if it is agreeable to the chairman of the committee likewise to yield back the time remaining to his side, so that the vote on final passage may be taken at this time.

Mr. MILLIKIN. That is agreeable to me, Mr. President; I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time having been yielded back, the question now is, Shall the bill pass?

Mr. JOHNSON of Texas. On this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). On this vote, I have a pair with the senior Senator from Rhode Island [Mr. GREEN]. If the senior Senator from Rhode Island were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. KENNEDY (when his name was called). On this vote, I have a pair with the senior Senator from Alabama [Mr. HILL]. If the senior Senator from Alabama were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. SPARKMAN (when his name was called). On this vote, I have a pair with the junior Senator from Virginia [Mr. ROBERTSON]. If the junior Senator from Virginia were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. KNOWLAND. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wis-

consin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the senior Senator from Wisconsin [Mr. WILEY] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH] and the senior Senator from Wisconsin [Mr. WILEY] would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. LENNON], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate.

I announce further that the Senator from Mississippi [Mr. EASTLAND] is paired on this vote with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Oklahoma would vote "nay."

The Senator from Louisiana [Mr. ELLENDER] is paired on this vote with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Iowa would vote "nay."

I also announce that if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from South Carolina [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Carolina [Mr. LENNON] would vote "yea."

The result was announced—yeas 63, nays 9, as follows:

YEAS—63

Aiken	Dirksen	Malone
Anderson	Douglas	Martin
Barrett	Duff	Millikin
Beall	Dworshak	Mundt
Bennett	Ervin	Murray
Bowring	Ferguson	Neely
Bricker	Frear	Pastore
Bridges	George	Payne
Burke	Goldwater	Potter
Bush	Hayden	Purtell
Butler	Hendrickson	Schoeppel
Byrd	Hickenlooper	Smathers
Capehart	Holland	Smith, Maine
Carlson	Humphrey	Stennis
Case	Ives	Symington
Chavez	Johnson, Colo.	Thye
Clements	Johnson, Tex.	Upton
Cooper	Knowland	Watkins
Cordon	Kuchel	Welker
Crippa	Langer	Williams
Daniel	Long	Young

NAYS—9

Gore	Magnuson	Monroney
Jackson	Mansfield	Morse
Kilgore	McCarran	Russell

NOT VOTING—23

Eastland	Jenner	McCarthy
Ellender	Johnston, S. C.	McClellan
Flanders	Kefauver	Robertson
Fulbright	Kennedy	Saltonstall
Gillette	Kerr	Smith, N. J.
Green	Lehman	Sparkman
Hennings	Lennon	Wiley
Hill	Maybank	

So the bill (H. R. 8300) was passed.
Mr. MILLIKIN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KNOWLAND. I move to lay the motion of the Senator from Colorado on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from California to lay on the table the motion of the Senator from Colorado to reconsider the vote by which the bill was passed.

The motion to reconsider was laid on the table.

On motion of Mr. MILLIKIN, and by unanimous consent, it was

Ordered, (1) That the engrossed amendments of the Senate to the bill (H. R. 8300) be printed.

(2) That in the engrossment of the amendments of the Senate to the bill, the Secretary of the Senate is authorized to make all necessary technical and clerical changes, including changes in section, subsection, paragraph, etc., numbers and letters and cross-references thereto.

Mr. MILLIKIN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MILLIKIN, Mr. MARTIN, Mr. WILLIAMS, Mr. GEORGE, and Mr. BYRD conferees on the part of the Senate.

RETURN OF FISHING VESSELS

Mr. KNOWLAND. Mr. President, I desire to have Senate Joint Resolution 67, Calendar No. 1660, made the unfinished business.

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

The CHIEF CLERK. A joint resolution (S. J. Res. 67) to repeal certain World War II laws relating to the return of fishing vessels, and for other purposes.

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

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. KNOWLAND. As I previously announced, it is not intended to proceed with debate on the joint resolution this afternoon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Hugh A. Butler, late a Senator from the State of Nebraska.

The message announced that the House had agreed to the amendment of

the Senate to the bill (H. R. 3191) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7371) to provide for the disposal of paid postal-savings certificates.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

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

H. R. 9315. An act to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States; and

H. J. Res. 552. Joint resolution making temporary appropriations for the fiscal year 1955, and for other purposes.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, a number of Senators have asked me about the legislative program.

First of all, there will be no further voting or consideration of bills this afternoon. After the speeches and insertions in the RECORD have been made and the Executive Calendar has been called for the consideration of nominations of postmasters under the heading "New Reports," which nominations were held over awaiting temporary clearance from the minority leader, which has now been granted, I expect to move that the Senate take a recess until Tuesday next at 12 o'clock noon.

There are a number of bills with respect to which previous notice has been given, and two bills with respect to which I should like to give notice that we expect to take them up next week.

As I have previously announced, on Tuesday next we expect to have a call of the calendar for the consideration of measures to which there is no objection, beginning at the point where the previous call of the calendar was concluded. I had previously given notice to the two calendar committees, and I hope they will take due notice.

When we conclude the call of the calendar, we expect to take up, not necessarily in this order, several measures on the calendar which I shall list: Calendar No. 1660, Senate Joint Resolution 67, which is now the unfinished business; Calendar No. 1659, Senate Joint Resolution 161; Calendar No. 1658, House bill 8538; Calendar No. 1657, Senate bill 1763; Calendar No. 1656, Senate bill 3546; Calendar No. 1655, Senate bill 3466; Calendar No. 1636, Senate bill 3589; Calendar No. 1632, House bill 9232; Calendar No. 1626, Senate bill 3268; Calendar No. 1622, Senate bill 2381; Calendar No. 1621, Senate bill 2380; and Calendar No. 644, House bill 6287.

Notice with respect to all those bills has previously been given.

I should like to add to the list Calendar No. 1549, Senate bill, 3243; and Calendar No. 1654; House bill, 9340.

At the request of a number of Senators who did not find it convenient to have the bills taken up on Tuesday, I wish to call specific attention to two additional bills which we expect to take up from Wednesday on, depending upon the progress we make on the bills which I have previously mentioned. One of those is Calendar No. 1639, Senate bill 2759, a bill to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational-rehabilitation services, and for other purposes. The other is Calendar No. 1634, House bill 5173, a bill to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a \$200 million reserve in the Federal unemployment account.

Those two bills will not be taken up prior to Wednesday, in conformity with the understanding I have previously had with a number of Senators.

Before yielding the floor, let me say that the Senate will be kept in session for any speeches or insertions in the RECORD. First I wish to proceed to the consideration of the Executive Calendar, for the consideration of nominations of postmasters under the head of "New Reports."

The PRESIDING OFFICER. Does the Senator from California move an executive session?

EXECUTIVE SESSION

Mr. KNOWLAND. I move that the Senate proceed to the consideration of executive business, for the consideration of nominations of postmasters under the heading "New Reports."

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

POSTMASTERS—NEW REPORTS

The PRESIDING OFFICER. The postmaster nominations under the heading "New Reports" will be stated.

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. KNOWLAND. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KNOWLAND. I move that the Senate resume the consideration of legislative business.

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

Mr. KNOWLAND. Mr. President, I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I should like to ask the Senator from

California whether he can at this time give any information to the Senate as to when he expects the Senate to reach consideration of Calendar No. 1710, S. 3690, which is the atomic energy bill.

Mr. KNOWLAND. I will say to the distinguished Senator from Iowa that I did not include that bill in the bills I have listed. It is a new bill, which will be considered after the call of the calendar has been had on Tuesday. There will be a meeting of the policy committee on Tuesday or Wednesday, and I expect at that time to take up the bill with the committee. I shall be happy to have that bill considered sometime during next week.

Mr. HICKENLOOPER. I am not insisting that the majority leader make his announcement at this time. I merely wished to be certain that he understood that the bill is on the calendar.

Mr. KNOWLAND. Yes. I know the importance of it and I know the interest which the Senator from Iowa has in it. It is one of the bills which will have priority consideration, and I hope to be able to make a definite announcement with respect to it by Wednesday.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. WATKINS. Mr. President, I ask unanimous consent that the Chair lay before the Senate the House amendments to Senate Concurrent Resolution 75, which records congressional approval for suspension of deportation of certain cases which were referred by the Attorney General, and that the Senate proceed to consider the House amendments.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 75) favoring the suspension of deportation of certain aliens, which were, on page 16, strike out lines 18 and 19 inclusive; on page 35, strike out line 22; on page 41, line 11, strike out "Tin-Yang" and insert "Ting-Yang", and on page 41, after line 12, insert:

A-9948032, Palombella, Onofrio.
V-28612, Vergos, Diamatis or Diamond.

Mr. WATKINS. Mr. President, under date of April 19, the Senate adopted Senate Concurrent Resolution 75. Thereafter, on June 15, the House of Representatives amended Senate Concurrent Resolution 75 by adding the names of two aliens, deleting the names of two aliens, and changing the spelling of a certain alien's name.

These cases have been examined and have been found to comply with all our standards and, accordingly, I move that the Senate concur in the House amendments to Senate Concurrent Resolution 75.

Mr. JOHNSON of Texas. Mr. President, I know nothing about this matter. It may be perfectly all right, but it is a rather dangerous practice to proceed in this manner. The majority leader tells me he has discussed the matter with the distinguished Senator from Utah. However, I should like to have the Senator from Utah state what he proposes to do, since I have not been

shown the courtesy of being informed that this matter would be taken up.

Mr. WATKINS. There was no intention to be discourteous to the minority leader. It is purely a routine matter.

Mr. JOHNSON of Texas. It appears to be routine, but I should like to know even about routine matters that are taken up in the Senate. I should like to have the Senator from Utah give an explanation of what he is asking for.

Mr. WATKINS. Mr. President, under date of April 19, the Senate adopted Senate Concurrent Resolution 75. Thereafter, on June 15, the House of Representatives amended Senate Concurrent Resolution 75 by adding the names of two aliens, deleting the names of two aliens, and changing the spelling of a certain alien's name.

These cases have been examined and have been found to comply with all our standards and, accordingly, I move that the Senate concur in the House amendments to Senate Concurrent Resolution 75.

Mr. JOHNSON of Texas. Is this procedure agreeable to the other members of the committee? Are they familiar with the action taken by the House?

Mr. WATKINS. There are nine members of the committee, and I have not talked with any of the members.

Mr. JOHNSON of Texas. Has the Senator discussed this matter with any of the minority members of the committee?

Mr. WATKINS. I have not.

Mr. JOHNSON of Texas. In that case, Mr. President, I ask that the matter go over until later.

The PRESIDING OFFICER. Does the Senator from Utah withdraw his motion?

Mr. WATKINS. I made a unanimous-consent request, which has been denied.

The PRESIDING OFFICER. The Senator moved that the Senate concur in the amendments of the House.

Mr. WATKINS. I did. I asked unanimous consent to take up the consideration of the matter, and that was denied. I assumed, therefore, that my motion was out of order. However, I withdraw the motion.

Mr. KNOWLAND. I believe that under the circumstances we can hold this matter over until Tuesday. It would expedite the disposition of these matters if both the minority leader and the majority leader could be given some advance notice of them. In that way their consideration would be expedited in the Senate. I realize that this is more or less a routine matter, but nevertheless it would expedite the proceedings if we could get a little advance notice.

Mr. WATKINS. I shall be glad to comply.

NOTICE OF HEARINGS ON S. 3660 AND S. 3661, RELATING TO EMPLOYMENT OF ALIENS WHO ARE ILLEGALLY IN THE UNITED STATES

Mr. WATKINS. Mr. President, as chairman of the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary, I announce

that public hearings will be held on S. 3660, to make the employment and related practices, of any alien known by an employer to have entered the United States illegally within 3 years thereof unlawful, and for other purposes, and on S. 3661, to provide for the seizure and forfeiture of any vessel or vehicle used in the transportation of any alien known by the owner thereof to have entered the United States illegally within 3 years thereof, and for other purposes, beginning on Monday, July 12, 1954, at 2 p. m., in room 457, Senate Office Building. All persons desiring to testify on either of these two bills are urged to communicate as soon as possible with Mr. Richard Arens, staff director of the subcommittee, who is preparing the schedule of witnesses. The address of the subcommittee is room 449B, Senate Office Building. The telephone number is National 8-3120, extension 1618.

ELECTRIC POWER SUPPLY FOR THE TENNESSEE VALLEY AUTHORITY

Mr. STENNIS. Mr. President, I am deeply concerned that the administration has directed the Atomic Energy Commission to negotiate a contract for supplying electric power to the Tennessee Valley Authority.

First, I protest because it places the Atomic Energy Commission out of character and puts it in the middle of the public power-private power controversy. With the frightful possibilities facing us in world affairs, and especially in view of the fact that the world unfortunately is in an atomic armed race, the Atomic Energy Commission, of all agencies, should be kept on the independent and impartial plane it has enjoyed since its creation, and not become entangled in domestic questions where there is always great conflict of interest and difference of opinion.

The Atomic Energy Commission must have the solid support of the Nation and of the Congress if it is to successfully serve its purposes. To the credit of the present membership of the Commission, they seem to realize this and also seem to realize that this power contract is not essential to the purposes and the mission of the Commission, and is also beyond their mission, and is unsound. I understand Commissioners Murray, Zuckert, and Smyth oppose the contract plan, while Commissioners Strauss and Campbell favor it only if directed by the President.

I am speaking now from information gained not directly from its source, but from reliable and authentic press reports.

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

Mr. STENNIS. I am glad to yield.

Mr. HICKENLOOPER. I should like to correct the RECORD at this point by saying that Commissioners Zuckert, Smyth, and Murray, stated at the hearings which the joint committee held that they would go along with this contract if it is desired by the administration. Therefore, they are not objecting. I do not know what their prior attitudes may have been, but they put in writing

a statement which, in effect, is what I have indicated.

Mr. STENNIS. I am glad to have yielded to the Senator from Iowa on that point. However I repeat, according to authentic news reports, these gentlemen were not in sympathy with the plan, which conforms to what the Senator from Iowa has just stated, but they are willing to go along with it. I understand that Commissioners Strauss and Campbell favor it only if directed by the President.

Thus it seemed that the entire membership of the Commission realized that which everyone else realizes, namely, that the Commission is being used as a means to carry on a power flight. They are abandoning their role as protectors of the Nation in atomic-energy matters, and are playing the role of domestic policymakers on unrelated matter.

I point out as an illustration of that, Mr. President, the Oppenheimer report. There is nothing more vital or of more concern to the Nation. In that case there was a split opinion by a group who considered it and a split opinion by the Commission itself. They have jumped from such a vital and fundamental matter as that right into the middle of the public power and private power controversy. I think it clearly illustrates the point that they are out of character when they embark upon such negotiation.

Thus, the Atomic Energy Commission is no longer an independent agency, nor a noncontroversial agency. The Commission has, in effect, gone out to purchase electricity, not for itself, but for other governmental agencies. Entirely apart from the question of the effect it will have on TVA, I protest such a mission for the Atomic Energy Commission.

Further, I protest the negotiation of this contract because as I understand, the General Accounting Office has said in effect that there is no legal authority on the part of the Atomic Energy Commission to negotiate the contract. In my opinion, even though I have not had a chance to fully study the question, there was clearly no authority to direct the Atomic Energy Commission to negotiate for such a power contract. Therefore, this indirect method was resorted to even though it cast the Atomic Energy Commission out of character and was, I believe, beyond the legal authority of the Commission. Certainly, someone has given the administration incomplete information and poor advice.

In that connection, Mr. President, I understand that a subcommittee of the Senate Judiciary Committee is urging the Atomic Energy Commission not to proceed further in negotiation of this contract until the subcommittee of the Judiciary Committee has had an opportunity to hear testimony, develop the facts, reach some kind of a conclusion and make a recommendation to the Senate.

Mr. President, in order to carry out the purposes of this move through the Atomic Energy Commission, I believe that legislation would be necessary. It is a change of policy. During this session we have considered bills here involv-

ing policy changes in the methods of building post offices and other Federal buildings. Admittedly, the sponsors of these new policies agreed that legislation was necessary, and asked for the enactment of laws to carry out their new policy. This legislation has passed both the House and Senate and, as I understand, an agreement thereon has been reached in conference and will doubtless become law. The bill provided for lease-purchase agreements to be negotiated by the Government for the construction of needed post offices and other Federal buildings. The capital investment was to be furnished by private enterprise and under a lease-purchase agreement, title would eventually vest in the Government. Almost the same thing has happened regarding a new policy of building tankers for our maritime services. Such a bill has passed the Senate and is now in the House.

To seek legislation for the construction of the buildings and ships was the only orderly and sound procedure. To seek the same result by resorting to a negotiated contract through the Atomic Energy Commission is an indirect, unsound method, and I do not believe that it is authorized under our present statutes.

Insofar as this step may be a part of a pattern to eventually liquidate the Tennessee Valley Authority, I oppose it vigorously. TVA is not merely a sectional institution. Although it supplies electricity to a considerable area of my State, including 14 separate municipalities, and a number of cooperatives that serve all of the electricity for 24 counties and a part of 11 additional counties, this is not the extent of my interest. TVA is a national yardstick for electric power rates and as such has served a great purpose to the Nation as a whole, and to the private power companies. It has helped put electricity within the reach of the masses of the people and at the same time has created mass customers for the private power companies and the appliance manufacturers.

In Mississippi, in areas not served by TVA, we have two well-managed, wide-awake private power companies who are rendering a fine service to the people, with rates far more favorable than prior to the advent of TVA. The same is true in other areas of the Nation. I am fully convinced that the competition supplied by TVA in a field that would otherwise be monopolistic, has on the whole benefited everyone, and I think that this is recognized by a great number of the private power owners and operators of the Nation. It is a great mistake to attempt to liquidate or to strangle TVA, by whatever means, because the entire Nation will suffer.

We have these large segments of the Nation that are directly served by the Tennessee Valley Authority, which, incidentally, has been a fine example of sound management. These areas have no other source for electricity. These areas are experiencing a sound and long overdue growth. They should not be neglected and they should not be subjected to continued uncertainty as to the future source of their power. If means can be resorted to through the highly

doubtful legal authority of the Atomic Energy Commission to change the national policy as to TVA, then such means can be resorted to on many other subjects and thus dangerous precedents are established and much injury is done.

I urge the administration and the Atomic Energy Commission to abandon their plan to negotiate this contract. The Atomic Energy Commission can then stick to its primary obligation to the American people, which is to serve as a nonpartisan body in the field of atomic energy. I trust that other areas of the Nation will not stand by and see TVA crippled and left unable to meet its own obligations. Such a fate can and will befall other areas in due time if such a policy is pursued.

EXPRESSION OF SYMPATHY OF CONGRESS TO THE PEOPLE OF TEXAS AND MEXICO WHO HAVE BEEN STRICKEN BY THE RIO GRANDE FLOOD — HOUSE CONCURRENT RESOLUTION 249

The PRESIDING OFFICER laid before the Senate, House Concurrent Resolution 249, which was read, as follows:

Resolved, etc., That the Congress of the United States hereby expresses deep sympathy for the tragic plight of the people of Texas and of Mexico who have been stricken by floods along the Rio Grande and desires that the United States offer any aid that is possible for the emergency relief and rehabilitation from this disaster of our fellow citizens in Texas and of our friends and our neighbors of the Republic of Mexico.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of House Concurrent Resolution 249.

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

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object—I should like to ask if this is similar to the resolution which was offered by the distinguished Senator from Texas relative to the serious flood situation in Texas and in Mexico which we passed by unanimous vote in the Senate the other day?

Mr. JOHNSON of Texas. I will say to the distinguished majority leader that on yesterday I made a brief statement and presented the resolution to the Senate with his knowledge and consent. It was acted upon immediately and unanimously. Subsequently, the minority leader called the Representative from Texas who represents the area involved and informed him of the generous action of the Senate and suggested that action be taken by the House. I forwarded to him a copy of the resolution which the Senate had adopted. The Parliamentarian informed me this morning that the House had not adopted the resolution which had been acted upon by the Senate, but, instead, had adopted a House concurrent resolution. That is, I would say, not unusual. I hope it may become unusual. I think if the House acts on a bill first and sends it to the Senate, because of the comity which exists between the two bodies, we should

consider the House bill and pass it. I think the same is true when the Senate acts first. I have no particular pride as to whether it is a House concurrent resolution or a Senate concurrent resolution, although I do not think that historically the record of the proceedings will be accurate, because the House record shows that the resolution was introduced there and that the Senate concurred in the action taken, whereas, as a matter of fact, the action was initiated in the Senate.

The Senate was very generous to me yesterday. The majority leader and all the other Members of the Senate cooperated most heartily. I am very proud of them and grateful to them, Mr. President, and I now ask for action on the House concurrent resolution.

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object—I understand the House is now in recess or in adjournment, but I wish fully to concur in the remarks of the minority leader and to say that in the comity between the two Houses it seems to me that when the Senate has acted first, as a matter of equity between the two Houses, a resolution or bill should be acted on by the other House, or vice versa. We shall certainly attempt to carry out our fair share of that comity.

I wish to say that in this particular case I know of the initiative of the Senator from Texas, the distinguished minority leader, and of the work he did in getting this resolution up, arranging to lay aside important legislation, and to having it agreed to. He is showing his usual and generous temperament by saying that he has no pride of authorship, that what he is interested in is bringing relief to the distressed people of Texas and Mexico. I think he is to be commended for his attitude in this matter, and I shall not object to the House concurrent resolution being considered.

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

There being no objection, the resolution (H. Con. Res. 249) was considered and agreed to.

Mr. JOHNSON of Texas. Mr. President, in view of the fact that the Senate has acted unanimously, that should be sufficient notice to every executive department of the strong interest of the Senate of the United States in bringing every possible kind of relief to the stricken area as quickly as it can be done.

ORDER FOR RECESS TO TUESDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its labors this evening it stand in recess until 12 o'clock noon on Tuesday next.

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

THE OVERTHROW OF THE COMMUNIST GOVERNMENT IN GUATEMALA

Mr. HICKENLOOPER. Mr. President, last Wednesday evening, June 30, over television and radio, Secretary of State Dulles made a very clear, concise, and

vigorous statement about the situation in Guatemala, which I am certain was welcomed by all the American people. I shall ask, at the conclusion of my remarks, that his address be printed in the RECORD as a part of my remarks.

But I wish to say that whatever encouraging appearances the Guatemalan situation may have today are in great measure the result of the farsighted, vigorous, and unswerving leadership of Secretary Dulles, which culminated, especially, in the Caracas agreement of about 3 months ago, in which the unusual unity of the American States was obtained in condemnation of the invasion of international communism into any American State.

It was my good fortune to be able to attend the Caracas Conference, by leave of the Senate. I there saw the well-knit unity which the Secretary of State was able to develop by his strong and vigorous presentation of the basic facts underlying the encroachment of international communism in this hemisphere.

The situation in Guatemala is not necessarily one of recent origin. It began some years ago with a revolution in Guatemala, when Communist agents infiltrated themselves into the revolutionary government and began to lay the groundwork for the complete capture of one of the American Republics by forces controlled by the international Communist conspiracy which has its headquarters in Moscow.

The conspiracy became very ominous and dangerous. It was the first real beachhead of communism in the Western Hemisphere. It must be said, to the everlasting credit of the Guatemalan people, that, so far as we know, they are overwhelmingly anti-Communist. But, as so often happens, when a Communist conspiracy gets a foothold in a country, it operates through a very small, hard core minority of well-trained persons in an attempt to enslave the mass of the people.

So I wish to say that the strong resistance which the Guatemalan people themselves put forth in the recent revolution, which they sponsored and led, and which has resulted in the encouraging success that is apparent today, affords an example of the attitude of a basically free people in one of the American republics, which has risen to throw out the first attached tentacles of the great octopus of international communism to have gained a foothold in the Western Hemisphere. It is very encouraging to see that this resistance has occurred. It is very encouraging, not merely because of the freedom-loving attitude of the people of Guatemala themselves; but throughout this struggle, in the last year or so, there has been evidence of an awareness on the part of the American republics themselves that there is, in fact, a great danger from international communism. So they have united with a remarkable degree of success to resist it and to throw it out.

Again, I wish to say that great credit must go, in my opinion, to the vision and the anticipation of Secretary Dulles, culminating in the declaration of Caracas which set forth that the invasion of or control by international communism

in any of the American republics threatened the peace and security of all of them. It brought them together; and that united moral strength of the American republics, that no doubt were willing to stand together in whatever action might have been necessary to throw back the Communist invaders of this hemisphere was, I believe, a tremendous impetus to the freedom-loving people within Guatemala in finally rising and purging themselves of a cancer which was threatening the freedom of their country.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD the address made last Wednesday evening, over television and radio, by Secretary of State Dulles.

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

Tonight I should like to talk with you about Guatemala. It is the scene of dramatic events. They expose the evil purpose of the Kremlin to destroy the inter-American system and they test the ability of the American states to maintain the peaceful integrity of this hemisphere.

For several years international communism has been probing here and there for nesting places in the Americas. It finally chose Guatemala as a spot which it could turn into an official base from which to breed subversion which would extend to other American republics.

This intrusion of Soviet despotism was, of course, a direct challenge to our Monroe Doctrine—the first and most fundamental of our foreign policies.

It is interesting to recall that the menace which brought that doctrine into being was itself a menace born in Russia. It was the Russian Czar Alexander and his despotic allies in Europe who, early in the last century, sought control of South America and the western part of North America. In 1823 President Monroe confronted this challenge with his declaration that the European despots could not "extend their political system to any portion of either continent without endangering our peace and happiness." "We would not," he said, "behold such interposition, in any form, with indifference."

These sentiments were shared by the other American republics and they were molded into a foreign policy of us all. For 131 years that policy has well served the peace and security of this hemisphere. It serves us well today.

In Guatemala, international communism had an initial success. It began 10 years ago when a revolution occurred in Guatemala. The revolution was not without justification. But the Communists seized on it, not as an opportunity for real reforms, but as a chance to gain political power.

Communist agitators devoted themselves to infiltrating the public and private organizations of Guatemala. They sent recruits to Russia and other Communist countries for revolutionary training and indoctrination in such institutions as the Lenin School at Moscow. Operating under the guise of reformers, they organized the workers and peasants under Communist leadership. Having gained control of what they call mass organizations, they moved on to take over the official press and radio of the Guatemalan Government. They dominated the social-security organization and ran the agrarian-reform program. Through the technique of the popular front they dictated to the Congress and the President.

The judiciary made one valiant attempt to protect its integrity and independence. But the Communists, using their control of the

legislative body, caused the supreme court to be dissolved when it refused to give approval to a Communist-contrived law. Arbenz, who until this week was President of Guatemala, was openly manipulated by the leaders of communism.

Guatemala is a small country. But its power, standing alone, is not a measure of the threat. The master plan of international communism is to gain a solid political base in this hemisphere, a base that can be used to extend Communist penetration to the other peoples of the other American Governments. It was not the power of the Arbenz government that concerned us, but the power behind it.

If world communism captures any American State, however small, a new and perilous front is established which will increase the danger to the entire free world and require even greater sacrifices from the American people.

This situation in Guatemala had become so dangerous that the American States could not ignore it. At Caracas last March the American States held their 10th Inter-American Conference. They then adopted a momentous statement. They declared that "the domination or control of the political institutions of any American State by the international Communist movement . . . would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America."

There was only one American State that voted against this declaration. That state was Guatemala.

This Caracas Declaration precipitated a dramatic chain of events. From their European base the Communist leaders moved rapidly to build up the military power of their agents in Guatemala. In May a large shipment of arms moved from behind the Iron Curtain into Guatemala. The shipment was sought to be secreted by false manifests and false clearances. Its ostensible destination was changed three times while en route.

At the same time, the agents of international communism in Guatemala intensified efforts to penetrate and subvert the neighboring Central American States. They attempted political assassinations and political strikes. They used consular agents for political warfare.

Many Guatemalan people protested against their being used by Communist dictatorship to serve the Communists' lust for power. The response was mass arrests, the suppression of constitutional guarantees, the killing of opposition leaders, and other brutal tactics normally employed by communism to secure the consolidation of its power.

In the face of these events and in accordance with the spirit of the Caracas Declaration, the nations of this hemisphere laid further plans to grapple with the danger. The Arbenz Government responded with an effort to disrupt the inter-American system. Because it enjoyed the full support of Soviet Russia, which is on the Security Council, it tried to bring the matter before the Security Council. It did so without first referring the matter to the American regional organization as is called for both by the United Nations Charter itself and by the treaty creating the American organization.

The Foreign Minister of Guatemala openly connived in this matter with the Foreign Minister of the Soviet Union. The two were in open correspondence and ill-concealed privy. The Security Council at first voted overwhelmingly to refer the Guatemala matter to the Organization of American States. The vote was 10 to 1. But that one negative vote was a Soviet veto.

Then the Guatemalan Government, with Soviet backing, redoubled its efforts to supplant the American States system by Security Council jurisdiction.

However, last Friday, the United Nations Security Council decided not to take up

the Guatemalan matter, but to leave it in the first instance to the American States themselves. That was a triumph for the system of balance between regional organization and world organization, which the American States had fought for when the charter was drawn up at San Francisco.

The American States then moved promptly to deal with the situation. Their peace commission left yesterday for Guatemala. Earlier the Organization of American States had voted overwhelmingly to call a meeting of their foreign ministers to consider the penetration of international communism in Guatemala and the measures required to eliminate it. Never before has there been so clear a call uttered with such a sense of urgency and strong resolve.

Throughout the period I have outlined, the Guatemalan Government and Communist agents throughout the world have persistently attempted to obscure the real issue—that of Communist imperialism—by claiming that the United States is only interested in protecting American business. We regret that there have been disputes between the Guatemalan Government and the United Fruit Co. We have urged repeatedly that these disputes be submitted for settlement to an international tribunal or to international arbitration. That is the way to dispose of problems of this sort. But this issue is relatively unimportant. All who know the temper of the United States people and Government must realize that our overriding concern is that which, with others, we recorded at Caracas, namely the endangering by international communism of the peace and security of this hemisphere.

The people of Guatemala have now been heard from. Despite the armaments piled up by the Arbenz Government, it was unable to enlist the spiritual cooperation of the people.

Led by Col. Castillo Armas, patriots arose in Guatemala to challenge the Communist leadership—and to change it. Thus, the situation is being cured by the Guatemalans themselves.

Last Sunday, President Arbenz of Guatemala resigned and seeks asylum. Others are following his example.

Tonight, just as I speak, Col. Castillo Armas is in conference in El Salvador with Colonel Monzon, the head of the council which has taken over the power in Guatemala City. It was this power that the just wrath of the Guatemalan people wrested from President Arbenz who then took flight.

Now the future of Guatemala lies at the disposal of the Guatemalan people themselves. It lies also at the disposal of leaders loyal to Guatemala who have not treasonably become the agents of an alien despotism which sought to use Guatemala for its own evil ends.

The events of recent months and days add a new and glorious chapter to the already great tradition of the American States.

Each one of the American States has cause for profound gratitude. We can all be grateful that we showed at Caracas an impressive solidarity in support of our American institutions. I may add that we are prepared to do so again at the conference called for Rio. Advance knowledge of that solidarity undoubtedly shook the Guatemalan Government.

We can be grateful that the Organization of American States showed that it could act quickly and vigorously in aid of peace. There was proof that our American organization is not just a paper organization, but that it has vigor and vitality to act.

We can be grateful to the United Nations Security Council which recognized the right of regional organizations in the first instance to order their own affairs. Otherwise the Soviet Russians would have started a controversy which would have set regionalism against universality and gravely wounded both.

Above all, we can be grateful that there were loyal citizens of Guatemala who, in the face of terrorism and violence and against what seemed insuperable odds, had the courage and the will to eliminate the traitorous tools of foreign despots.

The need for vigilance is not past. Communism is still a menace everywhere. But the people of the United States and of the other American Republics can feel tonight that at least one grave danger has been averted. Also an example is set which promises increased security for the future. The ambitious and unscrupulous will be less prone to feel that communism is the wave of their future.

In conclusion, let me assure the people of Guatemala. As peace and freedom are restored to that sister republic, the Government of the United States will continue to support the just aspirations of the Guatemalan people. A prosperous and progressive Guatemala is vital to a healthy hemisphere. The United States pledges itself not merely to political opposition to communism, but to help to alleviate conditions in Guatemala and elsewhere which might afford communism an opportunity to spread its tentacles throughout the hemisphere. Thus we shall seek in positive ways to make our Americas an example which will inspire men everywhere.

ISLAND OF HUNGRY PEOPLE

Mr. MANSFIELD. Mr. President, on June 14 I brought to the attention of my colleagues in the Senate the plight of the peoples of the Marshall Islands who are suffering great inconveniences and hardships because of the Pacific hydrogen bomb tests in the spring.

The islanders petitioned the United Nations for an assurance that they be considered before any future atomic or hydrogen tests were held in the area. These people are gravely concerned because they have been kept indefinitely from their home islands and were exposed to radiation during the March 1 test. United States Ambassador Lodge issued a statement reassuring the Marshallese that everything was being done to protect their interests. That is about all that has been done. A few words and no action does little to alleviate the natives' problems.

These people live on Kili, the island of hungry people. They are Bikinians, whose home atoll of Bikini was taken over 8 years ago for testing of atomic weapons. These people are confined to this tiny island, faced with hunger and lack of clothing. They have been looking to the United States for assistance, and have received only broken promises.

These people's home, Bikini, is about 10 times as big as Kili, which is an oval island of about 120 acres, lushly overgrown. Fishing is poor at Kili, while it was bountiful at Bikini. Much of the time the only food is coconuts and copra.

The small island's population has increased from 160 to 190 in the nearly 5 years these people have been on Kili.

The United States is failing in its responsibilities to these islanders. We are obligated to them under the trust territory agreements of the United Nations.

I understand that steps are being taken to give the people of that island technical help. The first project to help these people to adjust themselves was started only this year. It will be several

years before much can be accomplished in that respect, so something must be done now, before it is too late.

The Bikinians were moved to Rongerik Atoll for 2 years. Hunger finally drove them from there, and the United States Navy placed them temporarily on the Kwajalein Atoll. Most of their first dealings were with the Navy. In 1951 the Marshalls were placed under control of the Secretary of the Interior.

A medical practitioner from Majuro, headquarters for the Marshall Island district, reported the people were "pretty healthy." He had found no sign of malnutrition, "although sometimes they do run short of food." We should not be satisfied with just a "pretty healthy" condition; we should make sure that those people do not suffer from malnutrition and they should not have to go hungry and without clothing at any time. We Americans seem to have forgotten that they willingly gave up their homes in order to help our advancement in atomic science. Hunger and discontent are rather poor compensation.

When King Juda was asked if the islanders were promised anything when they were moved, he said the Americans told him, "You stand on big sand bank as children of America. We can never forget you. You gave up atoll so America can go ahead of everyone in world."

We apparently told them many things and it is about time we started making good some of those promises.

I hope that the State Department, the United States Ambassador to the U. N., and the Secretary of the Interior will heed these words and see to it that the pledges made by us are kept.

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

The PRESIDING OFFICER (Mr. Upton in the chair). Does the Senator from Montana yield to the Senator from Iowa?

Mr. MANSFIELD. I am delighted to yield.

Mr. HICKENLOOPER. I have some slight knowledge of the situation in the area of the world to which the Senator has been referring. While I am in accord with the idea that the natives there should not be treated badly, I have every reason to believe that they are being treated better now than they were ever treated before. I have evidence at my disposal showing that the people are healthier than they were before our men started going to the South Pacific.

I happened to be in that part of the world shortly after the natives were moved from the island of Bikini to Rongerik. I was on Bikini. I saw some of the natives there. We have sent medical practitioners to that area to treat the diseases of the natives. In the whole history of the people there they had never had medical treatment previously. We furnished food for the natives and attempted to aid them in the establishment of rudimentary schools for their children. We have made provision for medical practitioners periodically to visit the islands—something that was never heard of before in that part of the world.

With regard to the alleged infection resulting from atomic radiation caused by some of the explosions last year, or

by one of them in particular, I am not aware that any permanent injury to any of those people has been noted. I know that the first thing the United States did was to evacuate immediately the natives from any possible danger area, and they were taken to Kwajalein, where they could get the best of naval care. They were given that care. They were shown moving pictures for the first time in their lives. They were entertained there for several months. Their health was carefully looked after.

Mr. President, I do not criticize the natives of that area. We are all utterly sympathetic with them. The United States is doing, and is going to do, everything possible to see that no injury comes to those people. However, I want the record clear that I have access to a substantial amount of information in connection with this subject, and from the information I have I can say that the people are not suffering at the moment. They will not be permitted to be unduly afflicted with ills and ailments. Not only is the United States doing more for those people than was ever done before, but it will continue to do everything possible to insure the natives of that area against injury. We are sympathetic with them.

Mr. MANSFIELD. I am delighted to hear the statement the Senator from Iowa has made, and, because he is Vice Chairman of the Joint Committee on Atomic Energy, and was former Chairman of it, and because he has been interested in the subject since the beginning, it is very encouraging. I wish to tell him, however, that on the basis of reliable newspaper reports—and they are the only reports to which I have access, contrary to the representations made by the Senator from Iowa—the people in that area have been hurt by the hydrogen bomb explosions, especially the one of March 1. I think the interval since then has been too short to enable us to say that the natives have been taken care of properly, because no one knows just what the ultimate effects of the explosion will be. The Senator knows far better than I do, because of the fact that he does have access to information, just how widespread the practice bombing in the Pacific was on March 1, and how many people were affected by it, not only the Marshallese, who appealed to the United Nations and asked for assistance, but Americans and Japanese as well. I hope we shall be able to afford in the future much better protection from the devices used by the Government than we were able to provide on March 1.

Mr. HICKENLOOPER. I think it is interesting to discuss this particular matter with a little more publicity than it has been given. The Senator has referred to the Japanese. I wish to state that there has been a strange refusal on the part of the Japanese to let us ascertain if anything happened to any of the Japanese fishermen who were in the area at the time of the explosion. That is a rather peculiar situation. Certainly, the Marshallese did not request any aid or assistance from us. The Marshallese were not aware that they had been infected by radiation from the

bomb. They did not know what it was. As soon as we discovered what was happening, we immediately took the natives from the islands to a place of safety. We immediately established centers of treatment and observation. We set up food camps for them and furnished them with a great deal of food.

Lest I be misunderstood, I hasten to say that I am not criticizing the people of the Marshall Islands. They certainly have their rights as human beings. They should be protected. Their health should be protected. The United States should do everything within season to see that they do not suffer unduly.

I am saying that we are sympathetic to the desires of the people in that area for protection and safety, and that we are going to provide all the means possible for their safety and protection.

I have seen a number of newspaper reports about conditions in that part of the world, and I feel quite certain that some of the newspaper reports which I have seen come under the heading of sensationalism, an attempt to make headlines in the United States, whereas the cold facts and the analytical, factual reports do not quite bear out the sensationalism of some of the statements contained in some of the newspapers.

Mr. MANSFIELD. Mr. President, I appreciate what the Senator from Iowa has said. My information is obtained entirely from newspapers and, strangely enough, from newspapers in my own State of Montana. It is based on reports by a newspaper reporter by the name of Waugh, who, I believe, has visited these islands. He works for the Associated Press, a reputable news organization; and he sends his dispatches from Honolulu.

Let me say that when the Marshallese protested to the United Nations, I certainly believe they were not doing something for which there was no basis; and I was very much pleased when the United States Ambassador to the United Nations, Henry Cabot Lodge, gave them assurance that they would receive every consideration. I am also delighted that the Senator from Iowa, who is as well versed in this matter as is any other Member of Congress, has paid close attention to it.

I respectfully request that these newspaper stories be considered and studied; and if it is found that there is basis for them, I ask that the difficulty be obviated as soon as possible, and that every possible consideration be given to the people of the islands.

Mr. HICKENLOOPER. Mr. President, I assure the Senator from Montana that that will be done.

At this time I should like to discuss the matter a little further with the Senator from Montana. He will recall that after the first atomic bombs were exploded over Hiroshima and Nagasaki various reports were received regarding unusual injuries which were said to have been suffered by various of the residents of those cities. Of course, thousands of persons were killed in those two explosions. However, some of the newspapers and certain of the so-called slick-paper magazines published pictures showing hideous masses of some sort of fungus

growth on the bodies of some of the Japanese, and the pictures were printed over statements to the effect that "these injuries occurred because of the atomic explosions, and these are some of the awful things that happen as a result of such explosions."

Mr. President, I do not wish to minimize the effects of an atomic explosion. However, later it was found that the sores shown in such photographs had been on the bodies of those persons for some years and had resulted from the rather crude methods of treatment of open wounds which were characteristic of medical treatment in Japan years ago. In fact, in the Orient it is quite common to see such conditions, which result as the aftermath of infected wounds, and have nothing to do with radiation from the explosion of an atomic bomb. I refer to this matter as an illustration to indicate that in times of excitement, and sometimes hysteria, some strange and unjustified credit is given to some sources as being the cause of certain injuries which, in fact, have not resulted in any way from such sources.

Mr. President, I know the interest of the Senator from Montana has in the people of these islands, and in having them receive fair treatment. I assure him that the Atomic Energy Commission is interested and concerned to the highest degree; that the State Department is likewise interested and concerned; and that the Joint Committee on Atomic Energy likewise is similarly interested and concerned. We are concerned, for it is our sincere desire that no injustice be done and that no injuries result; and that if anyone is injured in any way, he be amply and fully taken care of. I wish to give the Senator from Montana that assurance.

Mr. MANSFIELD. Mr. President, that assurance from the Senator from Iowa is enough for me, because I know of his sincere interest in these matters; and I know that he wishes, as do I, to see proper provision made and followed to a logical conclusion.

Mr. President, I yield the floor.

RECESS TO TUESDAY

Mr. KNOWLAND. Mr. President, if there is no further business to come before the Senate at this time, I now move that, under the order previously entered, the Senate stand in recess until Tuesday, next, at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 16 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Tuesday, July 6, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 2, 1954:

MILITARY LIAISON COMMITTEE TO THE ATOMIC ENERGY COMMISSION

Herbert Bernard Loper, of Nebraska, to be Chairman of the Military Liaison Committee to the Atomic Energy Commission, vice Robert LeBaron, resigned.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Charles R. Ferguson, of Pennsylvania, to be a member of the Federal Coal Mine Safety

Board of Review for the term expiring July 15, 1957. (Reappointment.)

IN THE COAST GUARD

Capt. Frank A. Leamy to the permanent rank of rear admiral, United States Coast Guard, to rank as such from the date of November 1, 1954.

Capt. William W. Kenner to the permanent rank of rear admiral, United States Coast Guard, to rank as such effective upon confirmation by the Senate.

IN THE ARMY

The following-named officers to be placed on the retired list in the grade indicated under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947:

To be lieutenant generals

Lt. Gen. Horace Logan McBride, O4430, Army of the United States (major general, U. S. Army).

Lt. Gen. Andrew Davis Bruce, O5357, Army of the United States (major general, U. S. Army).

IN THE AIR FORCE

Lt. Gen. Robert Wells Harper, 53A (major general, Regular Air Force), United States Air Force, to be placed on the retired list in the grade of lieutenant general, under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947.

The following officers for appointment to the positions indicated under the provisions of sections 504 and 515, Officer Personnel Act of 1947:

Lt. Gen. Charles Trovella Myers, 37A (major general, Regular Air Force), United States Air Force, to be commander, Air Training Command, with the rank of lieutenant general and to be lieutenant general in the United States Air Force.

Maj. Gen. Glenn Oscar Barcus, 87A, Regular Air Force, to be commander in chief, United States Northeast Command, with the rank of lieutenant general and to be lieutenant general in the United States Air Force.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

James B. Parker, McKenzie, Ala., in place of B. F. Beesley, retired.

Edwin E. Johnson, Samson, Ala., in place of W. A. Coleman, transferred.

ARKANSAS

Edward F. Horne, Sparkman, Ark., in place of F. W. Knickerbocker, resigned.

CALIFORNIA

Wilma M. Anderson, Baker, Calif., in place of A. D. Erickson, retired.

Leonard V. Livingston, Baldwin Park, Calif., in place of R. W. Scott, retired.

Myles B. Ellis, Crescent City, Calif., in place of C. T. Hansen, transferred.

Francis M. Schaffer, Encino, Calif., in place of C. M. Tucker, deceased.

June C. Kennedy, Liberty Farms, Calif. Office became Presidential April 1, 1952.

George J. McMillin, Long Beach, Calif., in place of H. K. Goodwin, retired.

Elinor W. Dickinson, Moraga, Calif., in place of J. J. Hansen, deceased.

Florence R. Coggins, Nipton, Calif., in place of E. M. Trehearne, retired.

Lionel J. Worden, San Jose, Calif., in place of J. A. Chargin, Jr., removed.

Clarence R. Lamb, Santa Paula, Calif., in place of H. W. Driggs, retired.

Dorothy Irma Paxton, Tipton, Calif., in place of H. D. Beck, retired.

David Bordessa, Valley Ford, Calif., in place of J. E. Stornetta, resigned.

COLORADO

Frances K. Woodward, Kiowa, Colo., in place of Ada Killin, retired.

Marion E. Benedict, Uravan, Colo., in place of M. M. Latham, resigned.

CONNECTICUT

Wesley F. Gomez, Cornwall Bridge, Conn., in place of E. O. Engisch, resigned.

John L. Titus, Stafford, Conn., in place of R. A. Booth, retired.

Guy C. Hosmer, Waterford, Conn., in place of A. H. Buttery, removed.

FLORIDA

Thomas M. Love, Chipley, Fla., in place of A. F. Townsend, resigned.

Frank J. Hill, Jr., San Antonio, Fla., in place of N. A. Kovarik, retired.

GEORGIA

Walter H. Phillips, Jr., Forest Park, Ga., in place of C. E. McKown, removed.

Ralph Smith, Jeffersonville, Ga., in place of F. M. Vaughn, retired.

Arthur C. Curtis, Jr., Norman Park, Ga., in place of J. S. Newton, transferred.

Robert L. Roberson, Ochlocknee, Ga., in place of Jack Herring, retired.

Joseph J. Pope, Omaha, Ga., in place of M. M. Pope, retired.

Walter U. Scott, Pavo, Ga., in place of H. J. Alderman, retired.

James S. Rees, Preston, Ga., in place of Ruby Anderson, transferred.

IDAHOO

Harold C. Hunter, Filer, Idaho, in place of G. G. Smith, transferred.

Wallace K. Whitehead, Lava Hot Springs, Idaho, in place of A. B. Peck, removed.

Thomas W. Richardson, Worley, Idaho, in place of L. R. Dyer, transferred.

ILLINOIS

John W. Duncan, Assumption Ill., in place of F. P. Ryan, resigned.

Denby R. Boring, Carlinville, Ill., in place of John Hoeiting, transferred.

Louise M. Florian, Chicago Ridge, Ill., in place of M. H. Paulus, retired.

Leroy J. Mager, Frankfort, Ill., in place of A. K. Pink, retired.

William K. Sheridan, Havana, Ill., in place of W. T. Smith, retired.

Phillip Day, Jacksonville, Ill., in place of C. J. Ator, retired.

Lester V. DuMontelle, Mokenca, Ill., in place of Paul Therien, deceased.

Arlington E. Gittings, Oquawka, Ill., in place of G. S. Thornton, retired.

C. Fern Boston, Owaneco, Ill., in place of H. V. Neel, retired.

Lloyd Newnom, Pearl, Ill., in place of G. A. Garrison, resigned.

Roy E. McMahan, Potomac, Ill., in place of P. C. Smith, retired.

INDIANA

Paul Winter, Bicknell, Ind., in place of R. T. Phillippe, retired.

Lester C. Rhynard, Kouts, Ind., in place of I. J. Dye, retired.

Lloyd H. Berger, Peru, Ind., in place of E. G. Marburger, deceased.

Robert F. Wisheart, Shirley, Ind., in place of J. C. Cottrell, transferred.

IOWA

Virgil L. Ellis, Allerton, Iowa, in place of Clare Dougherty, deceased.

Robert N. Steinick, Madrid, Iowa, in place of O. H. Darby, retired.

Keith Gray, Postville, Iowa, in place of H. H. Douglass, removed.

KANSAS

Martin L. Pearsall, Caney, Kans., in place of C. E. Hanlon, retired.

Carl F. Rebman, Edgerton, Kans., in place of J. O. Larrick, retired.

Charles W. Taylor, Edna, Kans., in place of T. L. Lozier, transferred.

Lester E. Tucker, Osborne, Kans., in place of W. L. Green, transferred.

Henry C. Thomas, Piedmont, Kans., in place of J. E. Kennedy, retired.

KENTUCKY

Clyde Muri Bratcher, Clarkson, Ky., in place of E. W. Cabbage, resigned.
Waldo Redman, Glasgow, Ky., in place of J. R. Richardson, deceased.
Neville P. Perry, Hazel, Ky., in place of D. N. White, resigned.
Charles W. Johnson, Virgie, Ky., in place of H. C. Hamilton, resigned.

LOUISIANA

George M. Germany, Loreauville, La., in place of C. M. Germany, retired.
Louis B. Moseley, Oak Grove, La., in place of S. H. Campbell, retired.
Joseph K. Mayes, Pelican, La., in place of K. P. McDonnell, retired.
Arthur L. Layton, Shreveport, La., in place of R. H. Nelson, retired.

MAINE

Russell M. Batson, West Jonesport, Maine, in place of E. B. Batson, retired.

MARYLAND

Catherine L. C. Hinferty, Baldwin, Md., in place of C. A. Snively, resigned.
John W. McGreevy, Linthicum Heights, Md., in place of H. J. Paul, retired.

MASSACHUSETTS

Renaldo A. Consoletti, Milford, Mass., in place of J. E. Higgiston, deceased.
Arthur P. Phillips, Monterey, Mass., in place of W. T. Martin, retired.
Francis R. Sinervo, Palmer, Mass., in place of T. J. Sullivan, retired.

MICHIGAN

Lela M. Waters, Casnovia, Mich., in place of R. G. Hayward, retired.
Edward L. Baker, Detroit, Mich., in place of F. C. Middel, retired.
George A. Duncan, Hillsdale, Mich., in place of J. R. O'Meara, resigned.
H. Wayne Parker, Grand Rapids, Mich., in place of A. W. Hamilton, deceased.
Harold C. Lowing, Jenison, Mich., in place of Lillian Moody, retired.
Martin C. Kasischke, Tawas City, Mich., in place of L. T. Bing, retired.
William Karsten, Zeeland, Mich., in place of W. G. F. L. Wentzel, retired.

MINNESOTA

Lester K. Strawsell, Callaway, Minn., in place of D. W. Bellefeuille, resigned.
Clarence E. Peterson, Goodridge, Minn., in place of Stephen Singer, retired.
Orville J. Wilson, Hallock, Minn., in place of C. R. Bouvette, resigned.
Lloyd H. Lee, Hanley Falls, Minn., in place of C. J. Mickelson, transferred.
John A. Anderson, New York Mills, Minn., in place of G. V. Anderson, transferred.
Lloyd E. Johnson, Palsade, Minn., in place of D. W. Forsmark, removed.
Harry L. Sherman, Rush City, Minn., in place of J. M. McGuire, resigned.
Donald C. Brown, Waseca, Minn., in place of D. M. Coughlin, retired.

MISSOURI

Wayne W. Wilson, Bethany, Mo., in place of Walter Bartlett, retired.
Mildred S. Parker, Cowgill, Mo., in place of E. B. Lille, removed.
Marie L. E. Koehler, Grover, Mo., in place of A. A. Koch, deceased.
James D. Williams, Ionia, Mo., in place of W. M. Thomas, removed.
William R. Zink, Knob Noster, Mo., in place of P. G. Utley, retired.
Harry J. DeGuire, Liguori, Mo., in place of F. B. Bockwinkel, resigned.
Mary C. Hazelton, Princeton, Mo., in place of F. A. Lambert, retired.

MONTANA

Alma E. V. Youngberg, Clyde Park, Mont., in place of Elizabeth McCormick, resigned.
Gordon L. Johnson, Dodson, Mont., in place of L. E. Kodalen, retired.
Ruth Sieler, Plevna, Mont., in place of P. J. Herbst, retired.

NEBRASKA

John H. Schaller, Bellevue, Nebr., in place of W. J. McCorkindale, resigned.
Edwin Gorton, Crawford, Nebr., in place of J. P. Davis, resigned.
Ronald A. Whitehead, Mason City, Nebr., in place of J. C. Nelson, deceased.
Wilbur B. Brown, Miller, Nebr., in place of A. A. Coufal, transferred.

NEVADA

Myra B. Johnson, Mercur, Nev. Office became presidential April 1, 1952.

NEW JERSEY

Preston Fisher, Cape May Court House, N. J., in place of E. O. Howell, retired.
Florence M. Champion, Dorchester, N. J., in place of L. S. Champion, retired.
Benjamin Paul Heritage, Mullica Hill, N. J., in place of G. T. Knapp, removed.
Elmer B. Reed, Sea Isle City, N. J., in place of Thomas Whittington, resigned.
Anna L. Hagstrom, Wanaque, N. J., in place of S. K. Conway, deceased.

NEW MEXICO

Horace G. Hubert, Carlsbad, N. Mex., in place of R. S. Soladay, resigned.
Evelyn R. Goodner, Jal, N. Mex., in place of D. A. Klepper, resigned.
Sybil S. Schlittler, Oil Center, N. Mex., in place of M. L. Mitchell, resigned.

NEW YORK

Ishmael B. Burns, Alexandria Bay, N. Y., in place of F. F. Cornwall, retired.
Joseph Del Giudice, Croton-on-Hudson, N. Y., in place of E. L. Van Tassel, removed.
William F. Pfarrer, Hilton, N. Y., in place of B. C. Randall, resigned.
John L. Button, South New Berlin, N. Y., in place of Josephine Westphall, resigned.
Edmon L. Sowers, Thiells, N. Y., in place of Walter Stanhope, retired.
Margaret C. Wilcox, Whitney Point, N. Y., in place of A. D. Driscoll, retired.

NORTH CAROLINA

Gladys T. Ratledge, Advance, N. C., in place of W. G. Ratledge, deceased.
Louis M. Ensley, Balsam, N. C., in place of N. R. Christy, retired.
Hazel B. Sebastian, Hays, N. C., in place of M. B. Smith, resigned.
John H. Norton, Stony Point, N. C., in place of D. F. Cockrell, removed.
Enos R. Boyd, Waynesville, N. C., in place of J. H. Howell, retired.

NORTH DAKOTA

Randall C. Zimprich, Davenport, N. Dak., in place of W. A. Borderud, retired.
Louis J. Lovcik, Pisek, N. Dak., in place of B. J. Schneder, deceased.
Clayton N. Caron, Scranton, N. Dak., in place of C. A. Johnson, deceased.
Franklin V. Frykman, Souris, N. Dak., in place of A. M. Sletten, transferred.
Herman C. Becker, Wahpeton, N. Dak., in place of R. L. Hawes, retired.
Robert G. Brown, Wimbledon, N. Dak., in place of L. E. Peterson, resigned.
Adolf Dockter, Zeeland, N. Dak., in place of H. E. Hezel, retired.

OHIO

William C. Fulton, Belle Center, Ohio, in place of W. K. Connor, resigned.
Lois M. Sams, Beloit, Ohio, in place of C. M. Birch, retired.
Leonard Allison LaFollette, Buchtel, Ohio, in place of Viola Smathers, resigned.
Victor L. Will, Canal Winchester, Ohio, in place of V. L. Will, resigned.
Marian L. Reed, Chesterhill, Ohio, in place of Hettie Woodward, retired.
Hobart A. Wehking, Cincinnati, Ohio, in place of C. J. Bocklet, retired.
John W. Wilcox, Jr., Dresden, Ohio, in place of B. R. Taylor, retired.
Dorothy H. Pettit, East Fultonham, Ohio, in place of Marie Thompson, retired.

Ernest H. Wilson, Marengo, Ohio, in place of H. E. Ralston, transferred.
James O. Drake, North Jackson, Ohio, in place of A. F. Jones, retired.
Mildred J. Lockwood, Okeana, Ohio, in place of W. E. Bennett, transferred.
Edna T. Duncan, Perrysville, Ohio, in place of D. K. De Long, transferred.
David S. Shia, St. Clairsville, Ohio, in place of C. A. Ferren, retired.
Neil H. Adams, Sycamore, Ohio, in place of W. T. Golling, transferred.
Earl W. Schnetzler, Waterville, Ohio, in place of M. G. Van Fleet, retired.
George W. Rupp, Wellston, Ohio, in place of A. B. Bishop, resigned.

OKLAHOMA

Carlin M. Whittemore, Hennessey, Okla., in place of W. P. Herscher, removed.
Esther M. McAdams, Ninnekah, Okla., in place of I. M. Duke, resigned.
Ernest Arnold, Nowata, Okla., in place of J. T. Norton, retired.
Claire Shirley, Snyder, Okla., in place of J. A. Barnett, transferred.
Thad D. Jones, Tuttle, Okla., in place of W. H. Wester, resigned.
M. Marvel Gregory, Weleetka, Okla., in place of T. L. Pike, removed.
Treva O. Courtney, Yale, Okla., in place of G. W. Blair, retired.

OREGON

Theodore R. Willard, Empire, Oreg., in place of H. L. Strand, resigned.

PENNSYLVANIA

Espy G. Thomas, Boswell, Pa., in place of S. A. Heffley, deceased.
Robert W. Stahl, Mount Pleasant, Pa., in place of Clark Queer, resigned.
Elizabeth V. Hixenbaugh, New Eagle, Pa., in place of Lottie Teuche, retired.
Edgar S. Babb, Tatamy, Pa., in place of E. S. Happel, retired.
Fred K. Giesler, Waterford, Pa., in place of C. S. Shaw, retired.
Paul E. Trump, York Springs, Pa., in place of C. M. Boyer, retired.

SOUTH CAROLINA

Ida B. Feagin, Bonneau, S. C., in place of S. W. Lytchfield, Jr., resigned.
James L. Sheppard, Yemassee, S. C., in place of W. A. Powell, transferred.

SOUTH DAKOTA

Edward Keith Welch, Blunt, S. Dak., in place of W. S. Leeper, retired.
Melvin H. Koepsell, Canova, S. Dak., in place of F. S. Countryman, retired.
Joseph M. Jones, Fairview, S. Dak., in place of L. M. Dyer, retired.
Roland D. Schlaht, Gregory, S. Dak., in place of J. F. Krizan, Jr., deceased.
Chester A. Hattervig, Viborg, S. Dak., in place of R. B. Nelson, deceased.

TENNESSEE

Frank W. Medley, Monterey, Tenn., in place of L. P. Speck, retired.
Lucile S. Busler, White Pine, Tenn., in place of F. B. Cowan, retired.

TEXAS

Glen D. Kelley, Aledo, Tex., in place of L. F. Reynolds, retired.
Edgar M. Jackson, Athens, Tex., in place of E. L. Watson, retired.
Elmer P. Beecher, Goree, Tex., in place of C. R. Chamberlain, deceased.
Gilford W. White, Luling, Tex., in place of P. L. Walker, deceased.
Edna Caryl Naugle, Saginaw, Tex., in place of N. B. Elkins, resigned.
Betty J. Beene, Terminal, Tex., in place of W. O. Ham, resigned.
Joe P. Bullion, Truscott, Tex., in place of Irene New, resigned.
Jerrold D. Wilkinson, West, Tex., in place of R. J. Marak, retired.

UTAH

Nora R. Hatsis, Kenilworth, Utah., in place of Etta Moffitt, retired.
Elmer M. Williams, West Jordan, Utah. Office established March 1, 1951.

VERMONT

Parker C. Risley, Perkinsville, Vt., in place of W. H. Salmund, retired.
Edward F. Baccel, Proctor, Vt., in place of J. B. Flannagan, retired.

VIRGINIA

Michael H. Utz., Brightwood, Va., in place of J. C. Crigler, Jr., retired.
Tazewell H. Caldwell, Riner, Va., in place of G. J. Akers, retired.
Hendrick O. Carwile, Rustburg, Va., in place of V. I. Pick, retired.

WASHINGTON

Paul V. Roos, Cusick, Wash., in place of O. H. Snow, deceased.
Harold L. Woolf, Deming, Wash., in place of J. P. Nims, resigned.
James T. Likes, Rosalia, Wash., in place of H. C. Roberts, retired.

WEST VIRGINIA

Eleanor F. Morris, Ashland, W. Va. Office became presidential July 1, 1944.
Georgia E. Samples, Coal Fork, W. Va., in place of W. M. Seeley, resigned.
Helen J. Kemper, Dawes, W. Va., in place of D. C. Shonk, resigned.
Herbert C. Conley, English, W. Va., in place of Alexander McDarmont, resigned.
Odbert Beecher Phillips, French Creek, W. Va., in place of P. E. Thomas, resigned.
James F. Lowe, Jolo, W. Va., in place of H. W. Stephenson, resigned.
Benjamin F. Ford, Lewisburg, W. Va., in place of D. R. Nickell, retired.
Letitia H. Spaulding, Longacre, W. Va., in place of J. J. Dixon, resigned.
Ann L. Errington, Scarbro, W. V., in place of W. C. Bishop, retired.

WISCONSIN

Herman C. Lawin, Cornucopia, Wis., in place of Peter Stark, resigned.
Howard E. Beaulier, Goodman, Wis., in place of R. W. Burt, deceased.
Paul M. Saffig, Kenosha, Wis., in place of A. C. Grosvenor, deceased.
Victor H. Braun, Pickrel, Wis., in place of L. B. Hein, deceased.
Ervin C. Schroeder, Saukville, Wis., in place of B. A. Ruskauff, retired.
Orville E. Wildes, Warrens, Wis., in place of E. O. Johnson, retired.
Karl E. Freitag, Waterloo, Wis., in place of E. A. Killan, resigned.

WYOMING

Florence E. Hall, Moorcroft, Wyo., in place of Lee Waddell, resigned.
Cleó V. Malone, Yoder, Wyo., in place of W. W. Walker, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1954:

DIPLOMATIC AND FOREIGN SERVICE

Sheldon T. Mills, of Oregon, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ecuador.

Waldemar J. Gallman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iraq.

DEPARTMENT OF THE TREASURY

William H. Brett, of Ohio, to be Director of the Mint for the term of 5 years, to fill an existing vacancy.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Lewis G. Castle, of Minnesota, to be Administrator of the St. Lawrence Seaway Development Corporation.

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INTERSTATE COMMERCE COMMISSION

John H. Winchell, of Colorado, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1960.

FEDERAL TRADE COMMISSION

Robert Thompson Secrest, of Ohio, to be Federal Trade Commissioner for the term of 7 years from September 26, 1954.

IN THE ARMY

Appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

To be major generals

Maj. Gen. Cornelius Edward Ryan, O7375, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Frank Albert Allen, Jr., O7415, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Bryan Lee Milburn, O7469, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. John Charles Macdonald, O8402, Army of the United States (brigadier general, U. S. Army).

To be brigadier generals

Brig. Gen. Frank Needham Roberts, O12734, Army of the United States (colonel, U. S. Army).

Brig. Gen. Charles Harlan Swartz, O12798, Army of the United States (colonel, U. S. Army).

Brig. Gen. Louis Watkins Prentiss, O14672, Army of the United States (colonel, U. S. Army).

Brig. Gen. Wesley Tate Guest, O14654, Army of the United States (colonel, U. S. Army).

Brig. Gen. Carroll Heiney Deitrick, O14796, Army of the United States (colonel, U. S. Army).

Maj. Gen. James Dunne O'Connell, O14965, Army of the United States (colonel, U. S. Army).

Temporary appointment in the Army of the United States to the grades indicated under the provisions of subsec. 515 (c) of the Officer Personnel Act of 1947:

To be major general

Brig. Gen. Herbert Maury Jones, O12251, United States Army.

To be brigadier general

Chaplain (Col.) Frank Alden Tobey, O41698, United States Army.

POSTMASTERS

ARIZONA

Nell K. Guinn, Rowood.

ARKANSAS

Ernest E. Epperson, Gentry.
Gillis W. Stephenson, Monticello.

CALIFORNIA

Carroll E. Harris, Bishop.
John H. Bergstrom, East Highlands.
Ralph B. Webb, Maricopa.
James M. Morris, Novato.
E. Jerome Mathis, Pala.
Albert J. Honett, Pincrest.
Francis E. Bodeson, Ripon.

CONNECTICUT

Martin J. Gilman, Gilman.
Douglas C. Griffiths, Salisbury.

FLORIDA

Frederick L. Swain, Anthony.
Ira W. McCollum, Brooksville.
Harry F. Swathwood, Cortez.
Adwell D. Gobler, DeLeon Springs.
William A. Fisher, Dunedin.
William D. Hillier, Florida City.
Robert L. Perry, Groveland.
Millard A. Jameson, Lithia.
Frances D. Taylor, Malone.
Arnold Bridges, Ormond Beach.

IDAHO

Joseph C. Newman, New Plymouth.

ILLINOIS

Stuart S. Barrett, Ashley.
Leon E. Shreve, Belle Rive.
Walter Matteson, Effingham.
Paul Barnes, Elsie.
Eliot E. Overdorf, Glencoe.
Dorothy C. Fulscher, Hampton.
Franklin A. Canaday, Homer.
Archibald D. Nelson, Jerseyville.
Archie M. Wells, Rockport.
Louis H. Koch, Tremont.
Myrtle Schmitt, Troy.
Edwin G. Meyer, Valmeyer.
Lyman K. Shawler, West Union.
Floyd E. Watts, Winnetka.

INDIANA

Richard W. Troyer, Churubusco.

IOWA

Francis Wayne Harbour, Bedford.
Arlis L. Kinseth, Bode.
Forrest T. Edwards, Eldridge.
Lyle A. Spencer, Kellerton.
Reed L. Blankinship, Ottumwa.
John D. Hartzler, Pulaski.

KANSAS

William L. Harp, Garden City.
Harold Robert McFarlane, Hesston.
Richard A. Decker, Oskaloosa.
Howard R. Brickel, Pratt.
Frank H. Chesky, Sterling.

LOUISIANA

Thomas L. Ducrest, Jr., Broussard.
Myrtle S. Busch, Longleaf.
Aubrey E. Morse, Roseland.

MAINE

Earl G. Folster, Great Works.
Paul H. Stone, North Windham.
William D. Halloran, Presque Isle.

MARYLAND

Lester S. Rudacille, Daniels.
Charles H. Messick, Ridgely.
William G. Palmer, Savage.

MASSACHUSETTS

Sidney C. Perham, Chelmsford.
Frank Wesley Garran, North Truro.
Donald R. Biron, Pittsfield.
Gerald N. Wheeler, Richmond.

MICHIGAN

Marie Hope, Lake Leelanau.
Lyle B. Austin, Lansing.
Virginia G. Sorum, Morley.
Joseph H. Benkert, Reed City.

MINNESOTA

Laurel D. Sherman, Angora.
Elmer T. Requa, Austin.
Russell J. Slade, Babbitt.
Duane T. Dueffert, Butterfield.
Mabel F. Wester, Floodwood.
Bernard J. Petroski, Grand Marais.
Raymond L. TeHennepe, Leonard.
Donald E. Ecklund, Marine on St. Croix.
Warren O. Johnson, McGregor.
Leo L. Pratt, Merrifield.
Carl W. Lehman, Montgomery.
Melvin S. Dalby, Solway.
Marvil C. Nelson, Winnebago.

MISSOURI

Donald L. Bess, Bloomfield.
John B. Chipp, New Hampton.

NEBRASKA

Margaret Z. Fox, Kilgore.
Raymond L. Crosier, Oakdale.
Curtis S. Haddix, Western.

NEW HAMPSHIRE

James Martin Fortier, Center Conway.

NEW JERSEY

John R. Hendricks, Dividing Creek.
Florence M. Letts, Hohokus.
Ernest P. Billow, Hope.
William L. Fyistra, Little Falls.
William J. Dorgan, Palisades Park.

Robert H. Thomson, South Branch.
James W. Harris, Surf City.

NEW YORK

Leonard T. Gadwood, Oswego.

NORTH CAROLINA

Neece N. Osborn, Jamestown.
Clay T. Lefler, Matthews.
Charles T. Burke, Wilmington.

OHIO

Eugene H. Lillibridge, Burton.
Bernice E. Bridges, Conover.
Ralph J. Walters, Deerfield.
William D. Smallwood, Londonderry.
John L. Hall, Orwell.
Frank Cleland, Racine.
Elmer J. Evans, Wellsville.
Otto J. Landefeld, Willard.
Lloyd Eugene Bush, Williamsport.

OREGON

Eldon L. Lee, Yoncalla.

PENNSYLVANIA

Joseph P. Shurilla, Custer City.
John F. Woodruff, Devon.
Hazel L. Kane, Garland.
Robert J. Drake, Hawley.
Daniel Hobart Cope, Jonestown.
Leon L. Nicholas, Kunkletown.
James A. Bleakly, Merion Station.
Arlie C. Kline, Mont Alto.
Herbert M. Dissinger, Mount Gretna.
Marshall L. Sterne, Oakford.
Maurice A. Nordberg, Philipsburg.
Charles P. McGuigan, Red Lion.
Thomas N. Asa, West Brownsville.

SOUTH CAROLINA

Haskell M. Thomas, Florence.
Joe G. Flowers, Lake View.
John G. Evans, Six Mile.

SOUTH DAKOTA

Russell C. Birkeland, Dupree.
Sarah J. Stadem, Henry.
Fredrick L. Bellum, Timber Lake.

TENNESSEE

Jimmie M. Leach, Atwood.
William A. Logan, McDonald.

TEXAS

Oliver A. Koenig, Aubrey.
Charles C. Barton, Bertram.
Arthur Bergmann, Comfort.
Ellis D. Beck, Cushing.
Robert Edgar Hutchins, Greenville.
Calvin D. Rippetoe, Lipan.
William R. Bellamy, Lockhart.
Frances C. Hutson, North Cowden.
Paul L. Morrison, Pecos.
Areland Stricklen, Redwater.
James A. Lewis, Rio Hondo.
Josephine L. Moore, Roxton.
Montie A. Moss, Sanford.
Virgie Lou Smith, Tornillo.
Floyd Z. Pannell, Tulia.
Willard S. Thomas, Weatherford.
R. S. Sanders, Weinert.

UTAH

Jessie S. Neilsen, Lark.
Eugene R. Carter, Moab.
Eldon R. Janes, Providence.

VERMONT

Stillman L. Needham, Bridgewater.
Luther A. Prescott, Essex Junction.

VIRGINIA

John B. Robertson, Hurt.

WASHINGTON

William L. Hickey, Bucoda.
Francis M. Moses, Centralia.
Leland H. Jensen, La Conner.
Earl D. Kelley, Newport.
Will K. Munson, Sunnyside.
Oscar L. Hanson, Vancouver.
Paul L. Carey, Woodland.

WEST VIRGINIA

Margaret W. Cook, Berwind.
Dorsey H. Wilson, Fort Spring.

Bessie L. Cormany, Malden.
Delbert C. Klines, Moatsville.
Janet A. Sisson, Sissonville.

WISCONSIN

Margaret P. Webb, Barronett.
Philip H. Moe, Chetek.
Mae G. Ashley, Doylestown.
Oscar F. Paulson, La Crosse.
Lyle E. Dye, Mazomanie.
Lucile A. Farness, Morrisonville.
Myron T. Schroeder, Oneida.
Ernest Ivan Wilson, Poynette.
Joe A. Petersen, Tony.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 2, 1954

The House met at 10 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, humbly and confidently, we are again turning unto Thee in the sacred attitude of prayer, mindful of Thy blessings in all our yesterdays and encouraged by Thy gracious promises of help for each new day.

May we appreciate more fully that of no one else can we ask so much and none other is so able and willing to supply our many needs.

Grant that we may have a clear vision and understanding of our problems and the realities of life, seeing them in their right perspectives and proportions and daring to face them bravely.

May the spirit of our minds and hearts always be the spirit of integrity and justice, of unity and charity, and sympathy for all who are baffled and dismayed by the vicissitudes of life.

In Christ's name we bring our petitions. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolutions of the House of the following titles:

H. R. 9315. An act to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States;

H. J. Res. 256. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First International Instrument Congress and Exposition, Philadelphia, Pa., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 537. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Fourth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 545. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Trade-Sample Fair, Dallas, Tex., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 552. Joint resolution making temporary appropriations for the fiscal year 1955, and for other purposes; and

H. J. Res. 553. Joint resolution to amend the act of June 30, 1954 (Private Law 495, 83d Cong.).

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 93. Concurrent resolution to express deep sympathy of Congress to people stricken by floods along the Rio Grande.

The message also announced that the Senate had adopted the following resolution (S. Res. 274):

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. HUGH BUTLER, late a Senator from the State of Nebraska.

Resolved, That the President of the Senate appoint a committee, of which he shall be a member, to attend the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Senator, the Senate do now adjourn.

SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill (H. R. 8155) to continue until the close of June 30, 1955, the suspension of duties and import taxes on metal scrap, and for other purposes.

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 95]

Angell	Pino	Machrowicz
Bentsen	Gamble	Mason
Bonin	Hart	Miller, N. Y.
Boykin	Heller	Morrison
Broyhill	Hillings	Perkins
Buckley	Hinshaw	Powell
Burdick	Johnson, Calif.	Prouty
Busbey	Kearns	Regan
Chatham	Keogh	Secrest
Chudoff	Kersten, Wis.	Shafer
Curtis, Nebr.	Klein	Sutton
Dingell	Long	Weichel
Dodd	Lucas	Wilson, Tex.
Feighan	Lyle	

The SPEAKER. Three hundred and ninety-four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

AGRICULTURAL ACT OF 1954

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9680, with Mr. Corron in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had finished reading through line 17 on page 2. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, line 3, after 201 insert "(a) and (b)."

The committee amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment to line 17 which is a clerical amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOPE: On page 2, line 17, after the semicolon insert a quotation mark and a period.

The committee amendment was agreed to.

Mr. D'EWART. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Montana is one of the great wheat-producing States of the Union. We have 25,553 farms that grow wheat, and that is 7 percent of the farms in the State. In 1952 we grew wheat on 5,880,019 acres, and had 4,472,429 acres in summer fallow, or a total of 10,353,448 acres of wheat land. In 1953 our acreage was up to 6,001,436, but acreage allotments cut it back to 5,070,000 this year. Our average yield of wheat in the summer fallow counties is 17 bushels per acre. From these figures, it is very evident that what we do in this legislation with regard to wheat is most important to Montana.

This week we have been in the heat of debate over the future farm program, the issue being drawn between President Eisenhower's insistence on an immediate change to "flexible" price supports, and the recommendation of the House Committee on Agriculture in favor of a 1-year extension of the present 90 percent of parity on the 5 basic commodities, 1 of which is wheat.

The President and Mr. Benson submitted a lengthy and detailed farm program early this year. It contained provisions for price supports at levels between 75 and 90 percent of parity, for a gradual change to modernized parity, set-aside of \$2,500,000,000 worth of surplus farm commodities, a special incentive program for wool, and special efforts to improve marketing, increase distribution, and encourage the export of our farm products.

On all but one of these points the President and Congress have been in agreement. I was one of the sponsors of the bill to increase export of farm products, now known as the Agricultural Trade Development and Assistance Act of 1954. Under this bill we hope to dispose of \$1 billion worth of farm products in foreign markets and domestic relief, aside from and in addition to the normal foreign distribution of agricultural commodities. Our bill provides that up to \$700 million worth can be sold abroad for foreign currencies, using CCC stored commodities, and through private rather than Government channels wherever possible. The other \$300 million in the authorization is to be used for donations of surplus farm products to friendly nations to relieve famine, through voluntary relief agencies, and for domestic needs. This section of the act permits the commodities to be donated to such agencies as the Christian Rural Overseas Program—CROP—which has won such wide support in Montana, as well as to the domestic school-lunch program, to people suffering from disaster, and to other charitable institutions. It is an important part of our effort to widen the markets for our farm products. There are people all over the world and here at home as well who need the abundance we produce. The problem is to get it to them. On this part of the program, the President and Congress have agreed.

Secondly, the President and the House Agriculture Committee are in accord on a gradual transition to modernized parity to go into effect after 1956 for wheat. Parity is the level of income a farmer must have now to be able to purchase the same amount of goods and services that he could purchase at 1914 prices. Modernized parity would use the last 10 years in relation to the base period rather than the 1914 level, and on some crops it would mean that the parity price would be lower. The President and the committee both recommend that the transition to modernized parity be limited to a 5-percent drop per year until the new level is reached.

The President and the House committee also are in agreement on setting aside \$2,500,000,000 worth of commodities now in Government ownership. This reserve, to be insulated from the market, is just as necessary to our welfare in these times as are the reserves of arms and ammunition that we are storing, and the stockpiles of critical minerals.

There is agreement also on a fourth point—discretionary supports of the nonbasic crops. Under the present law and under the President's recommendation, the Secretary of Agriculture would be permitted to support the price of any nonbasic crop at any level he chose between zero and 90 percent.

The President and the House committee also are agreed upon an incentive program for wool. Wool is a strategic commodity. It is, of course, extremely important in the economy of Montana, and we are very anxious to have this new program become law, without the cut-off date that has been proposed. The President's wool program already

has passed the Senate. It is now carried in the House bill as a part of title III. I believe all concerned are agreed on the necessity and desirability of this legislation.

Since we have such a wide area of agreement, it is regretted that there should be so sharp a difference of opinion on the question of price supports for the basic commodities.

The President believes that the high rigid supports have been primarily responsible for increasing production beyond normal demand, and he believes that the Secretary should have discretionary authority to set the level of support at a point calculated to produce a crop more nearly in line with our requirements.

There is a very practical side to this question, and it is to this that the House committee has given great weight. The practical side is the matter of farm income in the areas where these basic commodities are produced. While it may be true that a majority of the Nation's farmers do not grow crops that are price-supported and therefore are not affected by this controversy, the fact remains that the minority who do grow the basic commodities are an important part of our economy and they are immediately and very seriously concerned.

Montana farmers who grow wheat cannot readily turn to any other crop. They are not diversified farmers. If they cannot grow wheat at a reasonable price or if their acreage is cut to a crippling extent, and if other grains they might grow are in oversupply, then they are in very real difficulty.

Our Montana wheat farmers have taken over 20 percent cut in the acreage they are permitted to grow this year. On July 23 they will vote on a further cut of about 11 percent. This means a 31 percent decrease in income. If, in addition to the reduction in the acreage of their crop, they are faced with a cut in the price, it will mean ruin to many wheat farmers in my State.

Much has been said about the big wheat farmers who are said to wax fat on Government supports. I call attention to the fact that in 1 representative county in my State, there are nearly 400 farmers whose wheat cropland is less than 300 acres. Another almost 300 farmers are in the 300-500 acre group. About an equal number farm 500-1,000 acres. There are only 5 who have more than 2,000 acres. A man who has 300 acres or less in wheat is not getting rich no matter what the level of support. He is just getting along.

The premise that flexible supports will lower prices, stimulate consumption and thus relieve surplus is faulty when applied to wheat. Insofar as human consumption is concerned, the price of a bushel of wheat has no relation to the consumption of bread.

With this in mind, the House Committee has endeavored to find a wheat program that would ease the economic shock to farmers. First, it has extended for 1 more year the 90-percent price support. Secondly, it offers a two-price plan for the future, which would give a farmer full parity for the wheat consumed domestically, and the prevailing

market price for the balance of his production. Under the bill, wheat farmers would vote next year to determine whether or not to accept this plan.

The House Committee bill also includes a provision for special acreage allowances for farmers who summer fallow. This is of great importance in Montana, as I have shown. Many of the farmers who practice summer fallowing have received larger-than-average acreage cuts, and under this bill they would be brought up to not less than the national average cut.

Secretary Benson has said that more than 70 percent of the agricultural products produced in the United States are not price-supported. As far as we are concerned, the situation is reversed. More than 70 percent of Montana's farm products were price-supported or aided by Government purchase plans in 1953. To this extent we are in a special category, and under the circumstances it is my opinion that Montana's welfare demands the continuance of 90-percent support on wheat until the growers have an opportunity to vote upon the new two-price plan and to make further farm adjustments.

I would like to add to this program the following three provisions:

First. A floor under acreage allotments. No Montana wheat farmer should be cut below 150 acres.

Second. A ceiling on the number of acres that would be eligible for Government support. This would eliminate the objections of those who state that large-scale farmers are making too much money from Government guaranties.

Third. An increase in acreage for producers of high-protein wheat when this grade of wheat is in short supply. At the proper time, I shall offer an amendment to this end.

Mr. Chairman, as one who supports the President's program, it is difficult for me to be unable to go along on the wheat provisions advocated by the Department of Agriculture. However, the farmers and businessmen of my State have indicated overwhelmingly that they think 90-percent support of wheat is necessary for another year, and I believe it is necessary if we are to prevent great harm to the economy of Montana. I trust that the committee recommendation for wheat is approved. However, whether or not it is, I shall vote for the passage of the bill because of the many sections that are an improvement over the present law. The alternative of no bill is, of course, 75- to 90-percent support of wheat as provided in the 1949 act.

The Clerk read as follows:

SEC. 103. Section 5 of the act of March 31, 1950 (7 U. S. C. 1450), as amended by section 5 (a) of Public Law 290, 83d Congress, is repealed.

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

Mr. Chairman, we have now reached section 103 of this bill, which section repeals the act of Congress of March 31, 1950. That act removed potatoes from the price-support program. I believe we all recall the experience we had with potatoes under the price-support program, and I am satisfied that neither

the producers nor the consumers were in any way satisfied with the way that worked out. I have been assured by the Secretary of Agriculture that he has no intention of placing potatoes under supports at this time, nor does he, in the foreseeable future.

I would appreciate a statement from the distinguished chairman of the Committee on Agriculture as to the reason for the committee action in repealing this law and the effect which this section would have, if adopted.

Mr. HOPE. Mr. Chairman, if the gentleman will yield, I shall be happy to reply to the question which he has just propounded.

If the gentleman will recall, you will find in the report on page 13 a paragraph devoted to the question of potatoes and the reason that the committee put this section in the bill. I do not know of any movement, of course, to put price supports on potatoes. The effect of this particular provision in the bill is to remove potatoes from the unique position which they have heretofore had of being the only agricultural commodity upon which it was not possible to have price supports.

As I say, the effect of this amendment is to put potatoes in the same category as most of the agricultural commodities as far as price supports are concerned. The gentleman from Idaho will recall that a few years ago there was a provision inserted in the law which made potatoes unique in the respect that there was no way by which they could be supported; no practical way in which they could be supported. This amendment puts them in the same category as other commodities for support within the judgment and discretion of the Secretary from zero to 90 percent of parity.

I know the gentleman is opposed to mandatory price supports on potatoes, and I understand that his constituents, who are potato growers, are opposed, too, but I would like to call his attention to the fact that there are certain collateral benefits which go to the inclusion of a commodity in the list of those which can be price supported, and among them is the fact that operation, under section 22, dealing with imports, can be initiated if a commodity is included in the price-support program, and that would not be possible unless we had included this amendment. I understand that is of considerable importance in the minds of many potato growers. Does that answer the gentleman's question?

Mr. BUDGE. It was not, then, the intention of the committee by this action to place an interpretation in the minds of the potato growers or the consumers or the Secretary of Agriculture that the committee was interested at this time in putting potatoes back under the support program?

Mr. HOPE. Let me answer that in this way, that the language is certainly not to be construed in any sense as a direction from the committee to the Secretary of Agriculture that we want potatoes put under the price-support program. It is there. It is possible for the Secretary to take action if he sees fit, and the potato growers want support, but

knowing the Secretary of Agriculture as all of us do, I am sure he would not impose price supports unless the producers of potatoes were very much interested in having that done.

Mr. BUDGE. I thank the distinguished chairman of the committee for that explanatory statement. I am satisfied that none of us here in the Congress, nor the growers nor producers want to repeat the fiasco we had when potatoes were under mandatory supports some years back.

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

Mr. BUDGE. I yield.

Mr. MCINTIRE. May I reaffirm the statement which has been made by my committee chairman. The intent of this provision is to somewhat clean up the legislative provision of the commodity which, under the acts, were cited here, particularly the first citation, would seem to make that difficult.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUDGE. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

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

There was no objection.

Mr. MCINTIRE. Mr. Chairman, this provision has for its purpose putting potatoes as a commodity in the same position as all other commodities, and should not be interpreted as initiating a price-support program.

Mr. BUDGE. I thank the gentleman for his contribution.

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

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

Mr. WAINWRIGHT. I would like to join in the sentiments expressed by the gentleman concerning the feelings of the potato growers on being placed under the price-support program. I speak for the potato growers of Suffolk and Nassau Counties on Long Island. I thank the gentleman.

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

Mr. BUDGE. I yield.

Mr. FULTON. As one from a city, I want to compliment the gentleman on his position in respect to the potato producers. To me it appears to be one both fair to the producers and the public and the various interests involved.

Mr. BUDGE. I thank the gentleman.

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

Mr. BUDGE. I yield.

Mr. MORANO. I want to compliment the distinguished gentleman from Idaho for calling this matter to the attention of the House. I think he has rendered a service both to the consumer and to the potato grower.

Mr. BUDGE. I thank the gentleman from Connecticut.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the pro forma amendment.

Mr. Chairman, we seem to be starting off on another long day here, so I thought I might ramble around for a while; no

particular thing in mind, just generally, and perhaps the net result would be to shorten the debate.

It is rather confusing to a fellow from the backwoods to understand why the potato growers do not want price supports. Our peanut boys over here, and I mean the fellows whose constituents grow peanuts, and the cotton boys and the rice fellows and the wheat and the corn boys, all want more money. What is the matter with the potato fellows that they do not want it?

I will admit that the people who grow peaches—and we have hundreds of bushels of peaches, nice, big fellows, sweet peaches, better than the Georgia peaches any time—that rot on the ground every once in a while and the folks back home say, "Why don't we get something for those peaches?"

Now, it is the same thing with apples. I go over here and look at the apples. I do not buy them, I just look at them. They are 10 cents apiece. Ten cents for an apple—we sell them up there—a nice big crate of Delicious and other varieties for 35 cents a crate. Growers say, "Why don't you get us some more money?"

I am going to have trouble being re-elected. That will be a calamity, if I should be defeated—I mean to me. Maybe I should make a few campaign speeches from the well of the House.

Why do we have this price-support legislation? Are the farmers, the producers of these six basic crops, if that is what they are, so inefficient, are they so dependent—I notice our good colleague from North Carolina [Mr. COOLEY] leaning forward. Are the gentleman's farmers so inefficient, so tired, so dependent, that they have to come to the taxpayers, all of them, everywhere, and ask for a handout for cotton, tobacco, and peanuts?

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

Mr. HOFFMAN of Michigan. For cotton, for rice, for all those things? Is that not strange? As the majority leader said yesterday, it is an impossible situation which has been created.

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

Mr. HOFFMAN of Michigan. I am sorry, I cannot. And also tobacco, peanuts, cotton, rice—heavens and earth, you folks in the South have all the rest of us supporting you. It is a tribute to your maneuvering ability, to your ability to shake us all down so that we have to keep you supported. But it is a long way from the South's stand for independence and States rights.

As our good colleague from Mississippi—and I wish he were here—John Rankin used to say, "You know you need more electricity so that you can turn night into day and read all the time; or just sit on the front porch and smoke your old pipe and rock or have somebody rock you back and forth." Let the Federal Government provide the market, and we need but work part of the time. Is not that nice, now? Sure, for them, but a little tough on the other taxpayers.

Now, you know, as our leader said yesterday, this program cannot go indefi-

nately. Surpluses keep piling up. The cost of storage of these things goes up, up, up, and someday the break will come. For myself, I wish it would come right away, and then I could go home and help the kids get through the depression. I have gone through 2 or 3 of them. There is not a Member of this House who thinks for 5 consecutive minutes who does not know that the whole thing is wrong, that ultimately it will break down of its own weight unless the Government gives us, as that old Roman emperor did back in A. D. 403 gave, complete overall controls. It did not work then. It will not work now. If we get it they will tell us what to plant, how much, and all. If the Republicans are in power you cotton, peanut, and tobacco fellows will have your acreage cut way, way down. No, I do not hope that, but that is what will happen to you. So why do we not just go along and end this kind of program and do it now? Why do we not? I do not know.

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

Mr. Chairman, I do not rise to express any hope that we go back to the old days of depression. I did not rise to suggest that I wanted to see our children hungry, or anything of that kind. I want all our people to be prosperous, and I do not think that that can be done unless we maintain a profitable agriculture.

I simply rose here this morning to pay a tribute, if I can, to 19 outstanding Members of this House—19 Members who let their principle weigh heavier than any political whip that might be applied to their backs. That group of 19 men who voted for what they believed to be in the interest of the farmers are entitled to the respect of the American people. They have shown by their vote that they are sincere when they say that they want to keep the farm problem out of partisan politics.

I know that the great majority of those over on my left did not agree, or at least you did not vote with—I think some of you agreed with—the logic presented by the chairman of the Agriculture Committee. For the years I have served on the Committee on Agriculture I have always respected the gentleman from Kansas, CLIFF HOPE. I have always regarded him as one of the great Members of this House and one of the greatest leaders of agriculture in this Nation. But I have never had occasion to respect him more than I did yesterday afternoon, when he and 18 others on that side tried their best to retain the well-established traditions of the Committee on Agriculture of trying to make agriculture a nonpartisan issue in the United States.

In all the years I have served on that committee under Republican and Democratic chairmen, we have tried to make the interest of the farmer come first. The present chairman of our committee still puts the interest of the farmer first, and in spite of all the threats and in spite of all the political pressure which has been exerted. We all know the kind of pressure that has been exerted in the last 24 hours. In spite of that the gen-

tleman from Kansas, CLIFF HOPE, and some 7 or 8 other members on the Republican side of the committee have still shown they believe that the problems of agriculture should be decided on a bipartisan basis. I am sorry that there were other members on that side who were willing to abandon what just 24 hours ago we were told was a matter of deep principle—we were told that a great principle was involved in this 75 percent parity proposition—yet 179 voted to abandon what the President said was a great principle. I never did understand where that great principle came in. But if they agreed with their Republican President about this matter of so-called principle, they must have yielded to the impulse to play politics when they voted against the 75 percent that the President and the Secretary of Agriculture asked for. But 19 members of the committee tried to keep this thing on the basis of what is good for agriculture, and I applaud them this morning.

Mr. OLIVER P. BOLTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I, too, would like to pay compliments to the gentlemen of the Committee on Agriculture. I would like to pay a compliment to every Member of the House of Representatives because I believe the Members of the House on a matter of as great importance as this do vote their convictions. I would like to quote for the benefit of the gentleman who preceded me the language of the committee report to be found on page 6. It is as follows:

No matter of principle is involved between supports at 90 percent of parity and supports at 75 percent of parity.

I resent the suggestion made by the gentleman that those of us who did not agree with his position on the bill did so as a matter of politics purely and not because we took the position we did feeling that that is what would be best for the farmers of their districts and for the farmers of the entire country. In my opinion, the agricultural policy of this country is something to be decided not by politics, but on the basis of what each individual believes is best for the farmers. Frankly, as a first-term Representative in this body, I dislike the injection of political arguments in the discussion of this subject on this floor.

The Clerk read as follows:

"TRANSITIONAL PARITY"

SEC. 104. Section 301 (a) (1) (E) of the Agricultural Adjustment Act of 1938, as amended (U. S. C., 1952 edition, title 7, sec. 1301 (a) (1) (E)), is amended as follows:

"SEC. 301 (a) (1) (E). Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

"(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

"(ii) 5 percent of the parity price so determined multiplied by the number of full calendar years which, as of such date, have

elapsed after January 1, 1949, in the case of nonbasic agricultural commodities, and after January 1, 1955, in the case of the basic agricultural commodities."

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

Mr. Chairman, I take this time only to point out a fact to the House which is very important in this debate. This section which no one is seeking to amend, and I am not seeking to amend it either, deals with modernized parity. Now what does that mean?

Modernized parity means an up-to-date appraisal of what it costs the farmer to live and do his job of raising these crops. The old parity base was that cost in the years 1910 to 1914. The new parity base, the so-called modernized parity, is what is called a moving 10-year average, and the chairman of the committee will correct me if I am wrong, but that 10-year average now goes from 1941 to 1951, or 1942 to 1952. The important thing is that this is the consensus of the farm people's own acceptance of what the parity base ought to be. Are we at that base under this bill as intended under the 1948 and 1949 laws? No. We are still on the old base, because the old base is higher; and it will take 3 years, for example, in the case of wheat to bring the new modernized parity base into effect under this provision of the bill.

This is the point I would like to leave with the committee, because it is important. Not only are you now talking, after the amendment adopted yesterday, about 82½ percent of parity but you are talking about almost 90 percent of parity, because this difference between old and modernized parity is in addition to the 82½ percent. This is not eliminated this year. It will not be eliminated in the case of wheat for 3 years. So you are not talking about 82½ percent of parity. You are talking about percentages of parity which are higher than that, because the modernized base is not yet being put into effect in this bill. So before you shed a great many tears about how unfair this bill is, let us know what is not apparent, and I do not say that invidiously but only in that it is not expressed in the percentage figure.

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

Mr. JAVITS. Yes, of course I yield.

Mr. HOPE. I think when the gentleman says that there will be no decrease in the parity price of wheat for 3 years, he should say that beginning in 1956 there will be a decrease at the rate of 5 percent per year, which will take about 3 years.

Mr. JAVITS. Of course I accept that, and of course you are correct. But is it not true also that regardless of how you feel about this issue when you think about how you are going to vote in terms of percentage of parity you have to add what is contained in the fact that the modernized parity is not being put into effect right away? That directly affects the percentage of parity which the Government is guaranteeing to the farmer. Is that not fair?

Mr. HOPE. We have taken the exact language that came from the Depart-

ment of Agriculture, and have followed the President's recommendation in putting it into effect at the time the present law expires.

Mr. JAVITS. I am not seeking to amend. I think you are trying at long last to get at modernized parity in a reasonable way. I am only pointing out that this provision adds to the percentage of parity for supports which you are legislating here. I think we ought to understand that and what it amounts to on the different commodities.

Mr. HOPE. I cannot see that this provision adds anything to parity. It provides that in 1956 we will go to the modernized parity, and we will go on the basis that the President has suggested; that is, in a gradual way. I do not think the gentleman is opposed to making a gradual approach to this parity price structure.

Mr. JAVITS. I disagree. I am pointing out that you are building in additional percentages of parity to the 82½ percent, and you cannot get away from that, because the modernized standard is what the agricultural people themselves said is the fair one. Still they are clinging to the old one for a space of years on different commodities.

Mr. HOPE. I know the gentleman does not want to state the situation inaccurately. The provision itself does not build in anything at all. I understand what the gentleman has in mind, but under the present law we have the old parity until 1956. This does not change that at all.

Mr. JAVITS. Except that on January 1, 1956, you are not going to put the modernized parity into effect, but for a period of 3 years you are holding on to the old parity as far as wheat is concerned, for 1 year on cotton, and 4 years on peanuts, and 2 or 3 years on corn. Your own report says, and I quote from page 3, that wheat is 33 cents a bushel higher under the old parity than under the modernized parity and yet that old basis is the one to be used until January 1, 1956, and then only to be stepped down at 5 percent a year.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, there is no pro forma amendment before the Committee now. If he wants to make one, all right.

The CHAIRMAN. The gentleman from New York moved to strike out the last word and was recognized for 5 minutes on that amendment.

Mr. HOFFMAN of Michigan. I make the point of order there is no amendment pending.

The CHAIRMAN. The gentleman from New York moved to strike out the last word, which is a pro forma amendment, and the gentleman from Kansas is now recognized in opposition to that important amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry and a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. As I understand, the last word has been stricken out. Would he not have to move to strike out two of them?

The CHAIRMAN. The gentleman from Kansas will proceed.

Mr. HOPE. Mr. Chairman, I do not want to delay the consideration of this bill, but I think it is well to put in the record the fact that no real, genuine, satisfactory method of determining parity has been arrived at. I think all of the experts agree that modernized parity is not necessarily the perfect method of figuring parity.

In this bill the committee accepts, however, the form of modernized parity that is contained in the law, and we go along with the President's suggestion that modernized parity should be adopted gradually.

For the benefit of those who think that parity is too high I may suggest that when this transition to modernized parity is completed the parity price on wheat will be 33 cents less than it is now; the parity price on corn will be 19 cents; the parity price on cotton will be 1.3 cents per pound less; and the parity price on peanuts will be 2.4 cents per pound less.

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

Mr. HOPE. I yield.

Mr. ALBERT. I believe the gentleman from New York indicated that modernized parity is not the parity formula on which the farm bloc is agreed, leaving the impression that since it has been agreed upon we should get to it as soon as possible. That is my understanding.

I think it is fair to point out—and I think my chairman will agree, that some farmers and some farm organizations do not agree with the modernized parity formula, and some of the members of this committee do not. Is not that true?

Mr. HOPE. Yes; the gentleman is absolutely correct.

Mr. COOLEY. Mr. Chairman, I move to strike out the last two words.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have a preferential motion to strike out the enacting clause.

The CHAIRMAN. The Clerk will read the gentleman's motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I do not expect too great success with this motion, but if some of the Members who are in favor of this or some other farm program can filibuster, some of the rest of us can do the same thing. They spent all day yesterday and quite a lot of the day before in talking about the bill; some talked 2 or 3 times on 1 amendment. I am not claiming the same privilege for myself.

But what the gentleman from New York was doing here, if I understood him correctly—and I think I do—was to call attention to the fact—and I am referring

to the gentleman from New York [Mr. JAVITS]—what the gentleman did was to call attention to the fact—and it is a fact—if I am in error on that, you tell me—that this new parity formula does not go into effect for 3 years. Is not that right?

Mr. JAVITS. The stepped-down formula does not go into full effect for 3 years.

Mr. HOFFMAN of Michigan. Yes; that is right—and the chairman of the committee—

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

Mr. HOFFMAN of Michigan. Oh, sure.

Mr. HOPE. I think the gentleman should amend his statement and say that in the case of wheat it does not go completely into effect for 3 years. On some crops it goes into effect in 1 year.

Mr. HOFFMAN of Michigan. Sure, he was talking about the date and, of course, everybody understands it. I think the gentleman from Kansas said it does not raise the parity from what it is now. We knew you did not. I ask the gentleman from New York: Is not that true?

Mr. JAVITS. Yes; I was saying it would take 3 years to step it down.

Mr. HOFFMAN of Michigan. I am quite sure you were.

But, in the meantime, if they do not change the effective date of this law and postpone it, if they do not, just how much of a reduction are we to get in the price of bread, if and when the new parity figures go into effect? Can you tell me that?

Mr. JAVITS. When it goes into effect. I feel that is the nubbin of the whole controversy. If you do not have a rigid base you have an opportunity to get more flexibility of a retail price. I think that was conclusively proven in the case of butter. That is the nubbin of my point, as representing city consumers.

Mr. HOFFMAN of Michigan. I thought that is what it was.

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

Mr. HOFFMAN of Michigan. I yield to the chairman of the Committee on Agriculture.

Mr. HOPE. I appreciate the gentleman's anxiety.

Mr. HOFFMAN of Michigan. I have none. The Lord will take care of the country, not the Agricultural Committee, not the administration, not my colleagues over here.

Mr. HOPE. I thought the gentleman was concerned about the price of bread.

Mr. HOFFMAN of Michigan. No, I do not eat too much bread. I have heard that argument about bread. When wheat was up to nearly \$3 the gentleman was yelling about the poor farmers out in Kansas, the insurance companies who really have the acreage, and the big boys. Never mind the little fellows who have 1 or 2 tractors, they do not seem to care so much about them. The big boys get the bulk of the payments. Then these peanut boys came along and they tell us how badly off their people are. How many automobiles does the average farmer down there have? I do

not know. Our farmers have 1 or 2. They are getting along fairly well and retaining their independence.

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

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I have listened to these pitiful appeals and, as I said before, most of the boys from the farm States are always crying the blues with a ham under each arm.

Mr. HOFFMAN of Michigan. And a big ham, too. In order that we may expedite this thing and get through today, because if we do not get along early then surely we will have to have an engrossed copy of the bill because we will not know what is in it, may we not have less debate?

I yield back the balance of my time.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the preferential motion.

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

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. I attempted to get the gentleman from Michigan to yield for the purpose of telling him that when wheat was \$3 a bushel the cost of a loaf of bread was 4 cents less than it is now.

Mr. HOFFMAN of Michigan. Then somebody made a mistake somewhere, did they not?

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

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. In yesterday's RECORD I noticed the gentleman indicated that the amendment I had offered would provide for 75 percent as a maximum. The amendment was 75 to 90 and I hope the gentleman will agree that was the amendment.

Mr. COOLEY. I noticed this morning in the RECORD it did have the word "maximum." I am eager to correct the RECORD. I used the word "maximum" yesterday in talking about the Heseltan amendment when, as a matter of fact, it should have been minimum. Actually I did not understand the situation because there was so much noise in the Chamber at the time. The Heseltan amendment was an amendment to the amendment offered by the gentleman from Nebraska [Mr. HARRISON]. We all know that the Heseltan amendment would have fixed the minimum price supports on the basis of 75 percent of parity. We also know that that is exactly the purpose of the present administration and I need not remind you of the fact that Mr. Benson, who has proposed this 75 percent minimum with a maximum of 90 percent, was repudiated when Mr. HESELTON's amendment was defeated, if I understand the situation correctly. So in desperation the leadership for the administration, seeing the handwriting on the wall and in an effort to avoid outright defeat, offered to this House a compromise. That is all it is. Your leader said, "We are not going to pull the rug out from under the farmer all at once." It is like the little boy chopping off the puppy's tail. He is going to cut it off an inch at a time because it will hurt less.

Now, you can not kid the American farmer. He is no longer naive; he is smart, and he knows who is doing what to him and how they are doing it. You are pulling the rug out. You are breaking the market. You are compromising with one of your Cabinet officer's propositions. And, the gentleman from Indiana, Mr. HALLECK, told the leadership of the House that he was doing what the President asked him to do. As much as we respect the President, what right has he to send his spokesman here to interfere with this deliberative body seeking to legislate in behalf of the people of this Republic? Here is the bill that was brought to our committee on March 10, 1954, an orphan left on the doorsteps of the House committee, and not a single Republican in the Congress has been willing to adopt it or even to give it his name.

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

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

Mr. ABERNETHY. I do not think the gentleman has made it quite clear, that no one in the House as yet ever introduced it.

Mr. COOLEY. No one has adopted, introduced, or named it. Here it is, with 16 Republicans on our committee, all of them devoted to the cause of agriculture, and not a one of them would introduce it. All of you farmers and farmers' friends from the great city districts, why did you not come over to put your name on it? Not even the majority leader would call it his own or take it to his breast and embrace it. No; he came out with a compromise. Why did you not stand up and fight for your Cabinet officer, Mr. Benson? Oh, no; you compromised it, and I do not suppose that "Mr. Ezra" will like it, either. You repudiated him here yesterday.

Now, let me ask you this question. The gentleman from Kansas, CLIFF HOPE, has been a Member of his House for 28 years. He is known throughout the length and breadth of this republic as one of the great friends of agriculture. He has a record here, the like of which is enjoyed by few men. Are you going to follow CLIFF HOPE as your leader?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. COOLEY. I withdraw the request, Mr. Chairman.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to point out the difference between modernized parity and the other or, as described, the old parity formula. Our

Republican friends say give us the modernized version. We hear everybody speak of modernized parity. You know, it sounds nice to say something is modern. Lots of people think it must be good if it is modern.

I would like to point out to you what is involved in this so-called modernized parity. The regular parity formula is based on an effort, 100 percent of it, to give the farmer the same comparative purchasing power that he had from 1909 to 1914. In order to give the farmer that comparative purchasing power that he had in that period, an index is kept of the selling price of various and sundry commodities which he buys and his support varies with the rise and fall of the cost of what he buys. So, there is a tie-in on the old parity formula between what other things are costing and what the farmer gets for his commodity.

What is modernized parity? Modernized parity ties the support program to the average price received by the farmer for the last 10 years. That means that there is no tie-in between the supports he gets and the cost of things he must buy. It does not recognize his costs. I tell you that modernized parity could conceivably, year by year, reduce supports down to where, over a period of years, there would be no support price at all; not only that but his costs could be going just as rapidly or more so in the other direction.

The record shows that there is real reason to be disturbed about modernized parity, because it ignores rising costs to the farmer. You cannot afford to ignore rising costs. Since 1945 the costs attached to farm commodities from the farmer's hands to the consumer have increased 83 percent. Since World War II we have had 11 freight increases. Steel has gone up a number of times, and so with nearly everything else, and such trend will likely continue.

Every place the Secretary of Agriculture would turn to the modernized parity formula today would have the direct effect of reducing support levels. The only place the modernized formula is not already in effect today is that place where to put it into effect would reduce the supports the farmer is getting and so they want to use the modern version to reduce supports. There is one other thing that would be a little amusing if it were not so serious. I thought it somewhat odd yesterday to hear my good friend, the majority leader, explain to this House how it was that President Eisenhower when he was a candidate had not really assured the American farmer 90 percent support price in law. I heard his statement and I do not remember his exact words, but I understood Mr. HALLECK to say that the President did promise 90 percent supports but did not exactly mean it or exactly say it, and therefore was free to recommend reduced supports. Mr. HALLECK read the fine print to us.

It reminds me of a situation when I first started practicing law. I had a number of Negro clients who came to me to collect insurance on a number of insurance policies written by a Negro insurance company. In large print in

those policies it said, "In the event of death we will pay the beneficiary \$2,000." The persons insured had died and their relatives and beneficiaries came to me as a lawyer to represent them. I looked at the policy and in fine print below the \$2,000 which was in large print, in fine print the policy stated "or 25 cents for each member of the insurance society." I pointed that fine print to my clients and said unfortunately that is all the company actually promised. "That is the contract. All you can collect is 25 cents per member." They read the fine print just as we are having the fine print in the President's campaign speeches read to us now. We collected only 25 cents per member. But I would like to say this. That company did not have to pay but 25 cents per member, but that company nor its agents were ever able to sell any more of those policies to the families or others in that community. The administration in effect is giving us the "25 cents per member" treatment but I will bet they do not sell that bill of goods the second time.

It is one thing for the majority leader to say that the campaign statements and promises were carefully worded. He can say Candidate Eisenhower meant "at the market place." However, the American people accepted the statements as implying an intention to support farm commodities at 90 percent, and I do not care how much explanation you may try to make, if the folks will not listen it will do you no good. Many folks think farm conditions are going to deteriorate, regardless of what you do, so in this bill you go ahead and make a slight change, as you say, in the support levels for basic commodities, and think that you are going to be able to show by the set-asides and various other means that it really will not be responsible for the hurt which will come to the farmers, but if conditions are going to get worse with American agriculture—and there is much to indicate that they are—do you not know they are going to attribute it to the slight change that you made and they are not going to listen when you try to explain it away.

Of course I heard it said yesterday that an important Democratic Senator had assured your leadership that to return to flexible supports was the way for the Republicans to retain control of Congress in the next election.

I do not know, but if the situation were reversed, and a strong Republican Senator were to tell the Democrats how to win control of Congress, I would take his advice with more than one grain of salt.

The Clerk read as follows:

SEC. 105. Section 401 of the Agricultural Act of 1949, as amended, is amended by adding thereto the following new subsection:

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive not less than the support price therefore or, in the absence of a support price, a fair price in the light of the

operation being carried out, as determined by the Secretary."

TITLE II—SET ASIDE OF AGRICULTURAL COMMODITIES

SEC. 201. The Commodity Credit Corporation shall, as rapidly as the Secretary of Agriculture shall determine to be practicable, set aside within its inventories not more than the following maximum quantities and not less than the following minimum quantities of agricultural commodities or products thereof heretofore or hereafter acquired by it from 1954 and prior years' crops and production in connection with its price support operations:

[In millions]		
Commodity	Maximum quantity	Minimum quantity
Wheat (bushels).....	500	400
Upland cotton (bales).....	4	3
Cottonseed oil (pounds).....	500	0
Butter (pounds).....	200	0
Nonfat dry milk solids (pounds).....	300	0
Cheese (pounds).....	150	0
Corn (bushels).....	300	0

Such quantities shall be known as the "commodity set-aside."

With the following committee amendment:

Page 4, in the table following line 16, after "Corn", insert "(bushels)."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 202. Quantities of commodities shall not be included in the commodity set-aside which have an aggregate value in excess of \$2,500,000,000. The value of the commodities placed in the commodity set-aside, for the purpose of this section, shall be the Corporation's investment in such commodities as of the date they are included in the commodity set-aside, as determined by the Secretary.

SEC. 203. (a) Such commodity set-aside shall be reduced by disposals made in accordance with the 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) Donation, sale, or other disposition for disaster or other relief purposes in the United States or to meet any national emergency declared by the President.

(7) Sale for unrestricted use to meet a need for increased supplies at not less than 105 percent of the parity price in the case of agricultural commodities and a price reflecting 105 percent of the parity price of the agricultural commodity in the case of products of agricultural commodities.

The President shall prescribe such terms and conditions for the disposal of commodities in the commodity set-aside as he determines will provide adequate safeguards against interference with normal marketings of the supplies of such commodities outside the commodity set-aside.

(b) The quantity of any commodity in the commodity set-aside shall be reduced to the extent that the Commodity Credit Corporation inventory of such commodity is reduced, by natural or other cause beyond the control of the Corporation, below the quantity then charged to the commodity set-aside.

SEC. 204. (a) The Corporation shall have authority to sell, without regard to section 203 (a) (7) hereof, any commodity covered by the commodity set-aside 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.

(b) Dispositions pursuant to this title shall not be subject to the pricing limitations of section 407 of the Agricultural Act of 1949, as amended.

SEC. 205. The quantity of any commodity in the commodity set-aside or in the national stockpile established pursuant to the act of June 7, 1939, as amended (50 U. S. C. 98-98h) shall be excluded from the computation of "carryover" for the purpose of determining the price support level for such commodity under the Agricultural Act of 1949, as amended, and related legislation, but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and related legislation. Until such time as the commodity set-aside has been completed, such quantity of the commodity as the Secretary shall determine between the maximum and minimum quantities specified in section 201 of this title shall be excluded from the computations of "carryover" for the purpose of determining the price support level, for the 1955 crop of the commodity, notwithstanding that the quantity so excluded may not have been acquired by the Corporation and included in the commodity set-aside.

With the following committee amendment:

Page 8, line 2, after "level", insert "but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas."

The committee amendment was agreed to.

Mr. KING of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a while ago the gentleman from New York [Mr. JAVITS] pointed out to you a softener that had been injected into the water of this bill. I merely want to point out to you another one.

The setting aside of \$2½ billion of the surpluses on hand and calling it a set-aside, and then providing as you do on page 7 that it "shall be excluded from the computation of 'carry-over' for the purpose of determining the price support level for such commodity," is of course purely a mechanical way of forcing the Secretary of Agriculture in his determination of prices under the flexible provisions to set them higher than he otherwise would. In other words, it gives him a formula which says that we shall ignore \$2½ billion worth of this surplus. I just think that the Members of the House should understand this

little piece of fiction, knowing that it is injected here just for the purpose of holding support prices as high as possible. Certainly no one can believe that this action in creating this set-aside is going to diminish in any respect the weight of all these surpluses on the free markets of the country.

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

Mr. KING of Pennsylvania. I yield.

Mr. HOPE. I want to call to the attention of the gentleman and the members of the committee as well, that the exact language used in this provision of the bill, on the point which the gentleman has been discussing, came from the Department of Agriculture and carries out a recommendation made by the President of the United States.

Mr. KING of Pennsylvania. I am perfectly willing to admit it came from the Secretary. It was, perhaps, the first compromise he made in his logical stand in support of a full flexible system as previously provided. Of course, it gained support from this committee. I am not going to attempt to eliminate it. I simply want the committee to understand that here again they have softened up the water in this bill so as to arbitrarily, and in defiance of all the true laws of economics, decide we are going to ignore \$2½ billion worth of these surpluses.

The Clerk read as follows:

SEC. 206. The Commodity Credit Corporation shall keep such records and accounts as may be necessary to show, for each commodity set-aside, the initial and current composition, value (in accordance with section 202), current investment, quantity disposed of, method of disposition, and amounts received on disposition.

SEC. 207. In order to make payment to the Commodity Credit Corporation for any commodities transferred to the national stockpile pursuant to section 203 (a) (4) of this title, the Secretary of the Treasury is authorized and directed to cancel notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in 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—COMMODITY PROGRAMS

SUBTITLE A—WHEAT

SEC. 301. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by changing the designation thereof to read as follows: "Title III—Loans, parity payments, consumer safeguards, marketing quotas, and marketing certificates"; (2) by changing the designation of subtitle D thereof to read as follows: "Subtitle E—Miscellaneous provisions and appropriations"; and (3) by inserting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—WHEAT MARKETING CERTIFICATES

"Legislative findings

"SEC. 380a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is prepon-

derantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens, interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.

"Domestic food quota

"SEC. 380b. Not later than July 1 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States during such marketing year.

"Apportionment of domestic food quota

"SEC. 380c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 percent thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the total production of wheat in each State during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed.

"(b) The State domestic food quota for wheat, less a reserve of not to exceed 3 percent thereof for apportionment as provided in subsection (c), shall be apportioned by the Secretary among the counties in the State on the basis of the total production of wheat in each county during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period.

"(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the three calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the normal yield of the acreage planted to wheat during such 3-year period. The reserve provided under subsection (b) shall be used to adjust farm quotas which the county committee determines to be inequitable on the basis of tillable acres, crop-rotation practices, type of soil, and topography.

"Marketing certificates"

"SEC. 380d. (a) The Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 380c of this act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. Marketing certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 380b of this act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price and the estimated farm price for wheat, and (2) the value of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of the marketing certificate shall be computed to the nearest cent. The proclamation required by this subsection shall be made during the month of June immediately preceding the marketing year for which such domestic food quota is proclaimed.

"(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

"Marketing restrictions"

"SEC. 380e. (a) All persons engaged in the processing of wheat into food products composed wholly or partly of wheat are hereby prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this act have been acquired by such person.

"(b) All persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"Conversion factors"

"SEC. 380f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall

be determined upon the basis of the weight of wheat used in the processing of such product.

"Civil penalties"

"SEC. 380g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 380e of this act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"Adjustments in domestic food quotas"

"SEC. 380h. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under this section, each farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 380d of this act. In case any domestic food quota for wheat is suspended under this section, the Secretary may redetermine the value of marketing certificates issued pursuant to section 380d of this act.

"Reports and records"

"SEC. 380i. (a) The provisions of section 373 of this act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

"(b) The provisions of section 373 (b) of the act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

"Referendum"

"SEC. 380j. In the referendum held pursuant to section 336 of this act on the national marketing quota proclaimed for the 1956 crop of wheat, the Secretary shall also submit the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops under the provisions of this subtitle and marketing quotas and acreage allotments shall not be in effect for wheat under subtitle B.

"Price support"

"SEC. 380k. Notwithstanding any other provision of law—

"(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

"(b) The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support

to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat, including exchange rates and currency regulations.

"(c) Compliance by the producer with acreage allotments, production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates."

Mr. HOPE (interrupting the reading of the bills). Mr. Chairman, this is quite a long title. As a matter of fact, it runs to page 18, and in the interest of saving time, I ask unanimous consent that this section of the bill may be considered as read.

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

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, under the rules of the House can a Member who is not a member of the committee, or who is not in charge of the bill, ask unanimous consent that debate on any amendment be limited?

The CHAIRMAN. The Chair will entertain a unanimous consent request from any Member.

Is there objection to the request of the gentleman from Kansas?

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. Ford: On page 9, line 2, strike the remainder of the page and all of pages 10, 11, 12, 13, 14, 15, 16, and 17 through line 20 on page 18.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Ford].

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

Mr. HOPE. Mr. Chairman, I object. This is a very important provision of the bill and I do not think that is time enough for a proper discussion of the amendment.

Mr. ROGERS of Texas. Mr. Chairman, I also object.

The CHAIRMAN. Objection is heard.

Mr. FORD. Mr. Chairman, there is no doubt that the surplus situation in wheat gives all of us great concern, however, I feel sure that the proposal to institute the two-price certificate plan is not a sound solution. The provisions of the Agricultural Act of 1949, if they

had been allowed to operate, would have corrected the situation to a great extent. However, we have continued year after year to postpone facing up to the facts of life with regard to wheat price supports, acreage controls, and the loss of our export markets.

Some will say that by instituting the two-price plan, we will be able to export more wheat. Based on the best information available to me, I see little hope of materially increasing our exports on any permanent basis, even though we instigate this dumping program.

How about the 2 years' supply—1 million bushels—we will have on hand? Let us not hold out as bait to farmers that with a two-price certificate plan that we can avoid acreage controls and quotas.

This question should also be raised. Should we justify a two-price program on the premise of providing food to the people of other countries at prices cheaper than those at which such food is sold to our own citizens.

The proposed two-price system for wheat will also have a significant impact upon producers of feed grains. In effect the program would increase the price of wheat for food in order to permit a reduction in the price of wheat for feed. This is not exactly fair competition for producers of corn, barley, oats, and other feed grains. This is a good deal as though a railroad, having a monopoly on traffic from A to B were to increase rates on shipments from A to B in order to reduce rates on shipments from C to D. The people who had to pay the high rates on traffic from A to B would have a legitimate complaint that they were over-charged and the transportation competitors of the railroad on the route from C to D could justly complain relative to the subsidized competition with which they were faced.

It should also be pointed out in this connection that although the proposal for a two-price system in H. R. 9680 provides for a means of terminating the program, for all practical purposes once the program is instituted it will continue in effect indefinitely. The result is that the acreage of wheat could be permanently frozen on farms now producing wheat—or more exactly, the right to produce wheat for the high-priced domestic food market, would be permanently frozen. It has been the history of most marketing quota programs that they are not instituted on a permanent basis, but rather that every once in a while production is freed of controls, giving an opportunity for natural shifts in production to take place. But the marketing certificate proposal incorporated in H. R. 9680 does not appear to me to have any terminal facilities that would actually work. This is of particular importance in the wheat industry as shifts in production occur rather rapidly as new and improved varieties of wheat, and other commodities competitive for acreage with wheat, are developed and new practices particularly adapted to certain areas and other factors affecting the relative advantage of wheat as compared to other commodities are originated.

The only reason that serious consideration is being given to a two-price plan for wheat is the incredible situation in which the industry finds itself today, with over \$2¼ billion of Federal money invested in surplus wheat, and with production even on a controlled basis running far ahead of effective demand. This current wheat situation is due in part, in large part, to the fact that the Federal Government has involved itself so intimately in the wheat business in recent years. The problem would not be nearly so serious today if the Federal Government had not been telling farmers to "plant more wheat," "plant more wheat." Now, let us not get ourselves, the Federal Government, and the wheat producers further involved in a morass of Government participation in the wheat business on a permanent, institutionalized basis such as is involved in the proposal for a two-price plan for wheat.

The wheat certificate plan does not come to grips with the basic problem facing the wheat grower. Under the existing legislation we have diverted too much land, labor, and equipment to the production of wheat, not only in this country but in the rest of the world. In my opinion we shall not return to a healthy wheat market demand until we either lower production capacity to market demand or increase such demand to balance our present productive plant.

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

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

There was no objection.

Mr. METCALF. Mr. Chairman, I support the amendment to eliminate the two-price system for wheat from the bill.

The market price would range from \$1.35 to \$2.50 per bushel as computed by the present parity formula. The consumer payment could be as high as \$1.15 per bushel, or in other words, the value of a marketing certificate would be about \$1.15 per bushel.

There has been a good deal said about the fact that this system will not cost the taxpayer anything. But the value of the marketing certificate is the difference between parity and the estimated price. This must be paid by someone. Properly this difference should be paid by production payments financed by direct taxation. Instead it is to be paid by the consumer and the farmer together.

If the whole thesis of this bill is valid, and I believe it is, then the cost of maintaining farm prices should be borne by general taxation.

The Secretary issues to wheat producers on the basis of their respective share of the wheat crop these negotiable marketing certificates. So the farmer who produces 4,500 bushels of wheat would have a domestic allotment of about 2,500 bushels under present conditions. For this he would receive \$2.50 per bushel.

If the price fell to \$1.35 per bushel, the value of the certificate would be \$1.15. Who would make up the difference? The bill says flour millers and other processors will pick up these certificates.

But the processors and millers would pass on the cost of these certificates by means of a higher sale price on flour or other products.

Thus the cost of the two-price system would be borne about 50 percent by a sales tax on domestic consumers, a sales tax on bread and flour, and 50 percent by the farmers themselves.

This is a slick scheme to shift the burden of a farm program from the general taxpayer, who should pay it, to farmers and consumers who should not be obliged to assume this additional load.

Second, no matter what you call the program of disposing of surplus wheat abroad, it is dumping. Adoption of such a program will threaten the economy of friendly, wheat-exporting nations. It will upset the good done by the International Wheat Agreement. It will work contrary to the intent of several bills, among them one of mine, to use part of our surplus food to help out old friends and make new ones abroad.

Third, it is said that this two-price system will remove controls. But even the committee report admits there will have to be controls because the present surplus is so large.

Mr. BELCHER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, although I am a member of the Committee on Agriculture, this is the first time I have come to the well of the House to use up any of the time of this committee, because I was in hope that we could go along and not have to reiterate all the arguments that have been made for and against this price-support system during the past several years. But this is a completely new proposition and it has not been discussed thoroughly.

At the outset the two-price system on wheat merely gives the wheat farmers an opportunity to determine whether or not in a referendum they want to adopt the two-price system. One of the things that the proponents of this amendment failed to state is the fact that it would not cost the taxpayers 1 dime. This is the first program that has been offered in this bill that does not in some degree require tax money to support the program.

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

Mr. BELCHER. I yield.

Mr. HOPE. As a matter of fact this amendment would save the taxpayers hundreds of millions of dollars, because it is going to stop the paying of subsidies on exports of wheat.

Mr. BELCHER. This program is completely self-sustaining. It will not cost the taxpayers a penny, and you folks in the city will not have to answer the charge that your consumers have to pay taxes in order to keep prices high.

This two-price system on wheat will not require subsidies in order to keep up prices. It will only give an opportunity to the wheat farmer to get a fair price for that portion of his wheat that is used in the United States; and then it gives him an opportunity to compete with the other countries of the world in the foreign markets which at the present

time he does not have under the price support system.

In my opinion, the strongest argument that can be made for the two-price system is that it gives an opportunity to the farmer to determine whether or not he wants the program. It gives an opportunity to get the program out from under Federal control.

It will save the taxpayers a lot of money. We have heard arguments as to how much money is being spent, but every one of us knows that if you do not have a two-price system you are going to have to spend money to support the price. If we can get this program in operation, in the first place it gives the farmer an opportunity to more independently regulate his own acreage; it gives him an opportunity to compete in the world market; it does not freeze the acreages as the gentleman from Michigan states. It can be just as flexible, as far as the establishment of quotas is concerned as it can be under the present bill. It puts a quota on bushels and not on acres which all of the price support systems we have had so far do; they place a quota on acres. When you cut down acres the farmers have enough ingenuity to use more fertilizer, more summer fallowing, and produce more wheat, more commodities on the lesser number of acres, which puts them right back in the same place. This program puts the quota on the number of bushels raised.

This will keep the quota as far as the domestic market is concerned in line with consumption, which your acreage controls do not do because the number of acres planted does not always determine the yield of the crop. In this particular year it looked first as though we were going to have a poor crop year, yet it has turned out to be one of the biggest crops in history.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. KING of Pennsylvania. Some plan which would really control production would be much better than the present economy of filling up Government storage, but I did not know that we were still in the days of the miraculous. The gentleman presents this as a scheme which does not cost anybody anything. That is impossible. When you subsidize farmers somebody has got to pay, and under this scheme of quotas somebody would still have to pay the bill.

Mr. BOLLING. Mr. Chairman, I have to strike out the requisite number of words.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Chairman, I move no pretense of being an expert on agriculture. I do, however, represent the type of district which has been spoken of quite a little during the debate on this legislation, a city district. While I am not an expert on agriculture, I have had the responsibility and the opportunity to give some study to these problems as a member of the Joint Committee on the Economic Report, which had to face this basic issue during the early part of this

year when we commented on the President's recommendations that affect the economy of our country. It so happens that I do not feel that the present section which is being debated is the best section in the bill. I question whether we are facing the whole problem of the United States in this field when we fail to recognize that we do have a responsibility to a number of our allies who produce wheat; therefore, I am inclined to favor this particular amendment.

However, this is but a part of a whole problem. Frankly, when the Eisenhower message on flexible price supports was read to the House in January, I felt quite sympathetic to the views expressed therein. However, I found it necessary to make some study of the question and in the course of that study I came to the conclusion that the proposal of Secretary Benson was as unsound a proposal as could possibly be made. I came to that conclusion because all the evidence which could be considered unbiased that I could obtain convinced me that a 75-percent floor was totally inadequate to reduce much less to eliminate surpluses. And the problem we face is one of surpluses. If we are to reduce surpluses by reducing the level of support, in my judgment, we would have to go to something like 50 percent of parity, and I do not believe there are many in this Congress or in this country who would advocate reducing supports to 50 percent of parity. Therefore, if a 75- to 90-percent program would not effect a reduction in surpluses, all it would do would be to effect a reduction in the farmer's income at a time when it is now clear, even to those who in January and February talked of prophets of gloom and doom when some of us mentioned unemployment, that this country still is in a recession. I do not believe that it makes sense to anybody in any district in the United States of America to cut the income of an important segment of our economy at a time when we are not using to anything like the fullest extent possible the productive capacity of the United States. My personal view is that the whole approach to the farm problem from the point of view of scarcity is the wrong approach. I think that we need abundance.

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

Mr. BOLLING. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman should be for this provision in the bill and against the amendment that has been offered because this provision is designed to do away with the idea of scarcity.

Mr. BOLLING. I disagree with the gentleman because I think this provision of the bill fails to go to the heart of another problem we have in international affairs. I think if we produce wheat in great quantities and compete with some of our allies, we may well injure our free world alliance against Communist aggression. However, I would like to reiterate my point that simply because some of us are against certain sections of the bill we should not make the mistake of being fooled by the arguments against 90 percent price supports. I think there could hardly be a worse time

in the history of this country than today for us to move to flexible price supports. I think as a matter of general economic policy it is extremely important for us to provide for 90-percent supports at this time.

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

Mr. Chairman, this language now before us would strike out a section of this bill which has had long and serious consideration by the chairman of the committee, particularly, and by other members, and by wheat growers from all over the Nation. The amendment represents the best thought of those who are most familiar with the wheat problem. We do not grow enough wheat in my district to feed more than a small fraction of our people. Wheat is not an agricultural commodity of importance down where I live.

There are other areas of our country where your great commodities are dairy products, and the committee has listened attentively to those who represent the producers of dairy products, and they felt that they were in a better position to suggest the provisions relating to those special commodities than those of us who do not come from areas where we are so dependent upon those things.

The district represented by the gentleman from Kansas [Mr. HOPE] produces more wheat than any other congressional district in the United States. I do not think there is a man in this House that will disagree with my statement that CLIFF HOPE knows more about what is good for the wheat farmers than any other man in the United States. It seems to me, if for no other reason, we should leave this section in the bill because of the confidence that I have, and I believe you have, in CLIFF HOPE and his knowledge of the wheat problem.

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

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I just want to say that I agree with the statement that the gentleman from Kansas [Mr. HOPE] knows more about the wheat problem than any man in America. And I represent one of the big wheat-growing districts of the Nation also.

Mr. POAGE. Yes; I understand.

Mr. BELCHER. We are willing to leave this problem up to the farmers to determine whether or not this is a better program than the price-support program, and that all we are asking is to give an opportunity to them to determine for themselves, and if the farmers determine that they would rather have this than a price-support system it is going to save the taxpayers a lot of money.

Mr. POAGE. That is exactly right, and I want to point out that this program, if carried out, and if the wheat growers of America ask that we use this program, it will not be at anybody else's expense; it will be at their expense. They will pay the bill and your taxpayers will not. It will not add to the cost of living one penny, so why not give the wheat growers this opportunity to decide for themselves.

Frankly, if it works well for wheat, I am going to want to consider it for cotton, but if it fails, the other fellow is going to carry the loss. I do not know how those of us who come from areas where wheat is not a great, important crop could get a better deal than is offered by this proposal of allowing someone else to carry the burden of the experimentation, to allow someone else to carry the trial run and then let us get the benefit of their experience and see if we cannot make it applicable to our commodities. I hope that the Members of this Committee will not feel constrained to destroy this program, this opportunity, for democracy in agriculture.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

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

Mr. HOPE. I object, Mr. Chairman.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan.

The motion was rejected.

Mr. HOFFMAN of Michigan. My colleague is asking for a division. I do not care. I will not make it. He can make it himself.

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

Mr. Chairman, in the debate yesterday on the Harrison amendment, the majority whip [Mr. ARENDS] made the point that the present 90-percent support program was a snare and a delusion. He pointed out, for example, that in the case of corn, although the law provides for 90 percent of parity, as a matter of fact, according to the Secretary of Agriculture, the average market price is only about 80 percent of parity. In the case of wheat he said that the average market price of wheat is only 82 percent of parity. I should like to ask this question of the advocates of the Harrison amendment. Are we to assume that if the parity price is set at 82½ percent, that the market price paid to the farmers for corn and wheat will rise or will it fall? If, as the Secretary of Agriculture says, the farmer is getting 80 percent of parity for corn now, will he get 82½ percent if the new program goes into effect? If he is getting 80 percent now on wheat, will he get 82½ percent? Will he get 82½ percent if the support level is set at 82½ percent? Or do you expect that as you move from 90 percent down to 82½ percent that there will be a corresponding reduction in the actual price that the farmer gets, so that instead of getting 80 percent of parity he will get on corn 70 to 75 percent, and instead of getting the 82 percent of parity for wheat which the Secretary now says he is getting, will he get 72 to 75 percent?

The advocates of the Harrison amendment ought to tell us what the effect of that amendment will be if it is adopted

and if the support level on wheat is reduced to 82½ percent and the support level on corn is reduced to 82½ percent. Will the actual price which will be paid to the farmers for these commodities be raised or will the actual price paid be lowered by some 10 percent below what the Secretary now says is the level?

I do urge that someone in the Republican leadership, or someone who has supported the Harrison amendment will explain to the House before we take the final vote on this question just what effect they expect this amendment to have on the actual prices which are paid to the farmers for corn and wheat and for other commodities.

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan, my good friend, a man for whom I have the very highest affection and regard, although I believe he is entirely wrong in the position he has taken on this particular proposition.

The reason this proposal is in this bill is because we are trying to do the very things the gentleman from Michigan indicates he wants to do. We are trying to get away from the idea of scarcity in the first place, trying to get away from the idea of strict controls, trying to get away from the idea of paying money out of the Treasury for export subsidies, trying to get away from the dumping of agricultural commodities. This provision, if adopted, will do all of those things.

The gentleman from Michigan has characterized this proposal as dumping. I do not believe that under GATT or under any of the other international trade arrangements a proposal of this kind could be characterized as dumping. But it is true what we are doing right now is nothing but dumping because we are paying subsidies out of the Treasury. In the last 4½ years we have paid almost \$600 million in export subsidies on wheat.

This bill provides for a support price on that part of our wheat that is consumed domestically for human food, but it lets the rest of it go in the world market without a subsidy at the world price. If ideal conditions existed now for putting a program of this kind into effect I do not think it would be necessary to have acreage allotments or any restrictions on wheat, but with the large supplies we have on hand at this time I think it is necessary to give the Secretary some authority to put acreage allotments on and also to put into effect a low support price, possibly 60 or 65 percent of parity, in order to maintain the price of that part that does not go for human consumption.

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

Mr. HOPE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The point was made a while ago that this might interfere with our international relations. Under this proposal, wheat from the United States would merely compete in the open market of the world. At the present time it can compete in the open market of the world and the American producer

gets paid a subsidy for competing in that world market. It certainly would disturb the world setup worse than just competing on an even basis with all the other countries of the world.

Mr. HOPE. I agree with the gentleman 100 percent. His observation is absolutely right.

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

Mr. HOPE. I yield to the gentleman from California.

Mr. SCUDDER. This provision will permit the sale of wheat to the poultry people throughout the country at a lesser price than the supported price?

Mr. HOPE. Yes, that is true. The wheat would go to market at whatever the market price was. The support domestically would come about through the certificates that the millers would purchase from the farmer.

Mr. SCUDDER. This would relieve the poultry people, then, of having to pay a full support price for the product necessary for the production of poultry and eggs?

Mr. HOPE. Yes, that is true.

In conclusion, may I say that if we want to follow the tenets of free enterprise, if we want to get away from controls, if we want to get away from export subsidies, and the international complications that come from dumping, the way to do it is to vote down this amendment and retain this title in the bill.

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

Mr. HOPE. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is it not a fact that if we retain the provisions as written in the bill and vote against the amendment we will participate to a larger extent in the world market, and we can dispose of not only some of our surplus but much of the wheat that will be grown in the future, without costing the taxpayers of America anything at all?

Mr. HOPE. Yes. I thank the gentleman for his statement. I agree with him 100 percent.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ROGERS of Texas. There have been many plans offered to the Committee on Agriculture to settle this surplus situation.

Mr. HOPE. Yes. We have a stack of them that high.

Mr. ROGERS of Texas. This provision is nothing in the world but a step in the direction of trying to explore some of these, to see if we cannot answer some of the problems that have been presented and talked about on this floor in the last few days.

Mr. HOPE. Yes. This gives the farmers an opportunity when they have the next referendum on wheat to vote as to whether they want to adopt this program as a substitute for the program that is at that time in existence.

Mr. ROGERS of Texas. It leaves it to the farmers to decide that, does it not?

Mr. HOPE. Yes.

Mr. COON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. COON. Mr. Chairman, the two-price or domestic parity plan for wheat included in this bill would give greater freedom to wheat farmers, expand exports, provide needed feed to stockmen and poultrymen in feed-deficit areas, and save the Government money. I urge that this program be retained in H. R. 9680.

A two-price program would pay parity for wheat used in domestic human consumption, but would allow wheat for feed, export, and industrial uses to seek its own price in the market. The program would support itself through a system of certificates; the only cost to the Government would be the administration of the program. The Government would not pay the parity payment, and there would be no need to invest huge sums in storing surplus wheat.

But not only would this plan be of benefit to wheatmen, it would be helpful to poultrymen, stockmen, and feeders in feed-deficit areas. It would give them grain at competitive feed-grain prices.

The two-price plan in this bill is important also in that it can serve as a pilot project for better agricultural legislation. If the program can succeed for wheat, I believe it would prove effective for other crops as well. We must test this idea as soon as we can in order to determine its feasibility and locate its flaws.

As the bill is presently drawn, the program would go into effect for the 1956 crop year if approved by a vote of the wheat farmers.

There are four important objectives we are seeking in agricultural legislation today. We want our farmers to be more free while, at the same time, having fair protection. We want prices for agricultural commodities to reflect real values, and thus to promote wide and realistic use. We must find ways of reducing and preventing surpluses. And we are seeking Government economy.

This program moves in the direction of all these objectives.

A two-price plan would give the wheat farmers greater freedom while, at the same time, insuring a reasonable level of income. It would permit normal market forces to determine the price of excess wheat, and thus would help keep surpluses down. When oversupply drives the price down, much wheatland would be turned to more profitable uses.

Greater feed and wider industrial uses would also come automatically under a two-price plan, and this would reduce surpluses in another way—by using them up. The greater the surpluses became, the greater would be the incentive to use them, and the less would be the incentive to produce them.

Since this program would be financed by means of certificates, it would take the burden off the Government. Considering the problems the Government faces today in this connection and the need for economy, I believe this is an objective well worth seeking.

I strongly urge that this two-price or domestic parity plan for wheat receive

favorable consideration from the Congress today, and that this amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford].

The amendment was rejected.

The Clerk read as follows:

SEC. 302. (a) Section 335 of the Agricultural Adjustment Act of 1938 (7 U. S. C., sec. 1335) is amended by adding at the end thereof the following new subsection:

"(e) If, for any marketing year, the acreage allotment for wheat for any State is 2,500 acres or less, the Secretary, in order to promote efficient administration of this act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota with respect to wheat shall be applicable in such marketing year to any farm in any State so designated. Notice of any such designation shall be published in the Federal Register."

(b) Section 101 (d) of the Agricultural Act of 1949 (7 U. S. C., sec. 1441 (d)) is amended by adding at the end thereof the following new paragraph:

"(7) Where a State is designated under section 335 (e) of the Agricultural Adjustment Act of 1938 as outside the commercial wheat-producing area for any marketing year, the level of price support for wheat to cooperators in such State for such marketing year shall be 75 percent of the level of price support to cooperators in the commercial wheat-producing area."

(c) Section 408 (b) of the Agricultural Act of 1949 (7 U. S. C., sec. 1428 (b)) is amended by inserting "or wheat" after "corn", and by inserting "or wheat-producing" after "corn-producing".

Mr. ROGERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 5 additional minutes.

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

There was no objection.

Mr. ROGERS of Texas. Mr. Chairman, I have listened with great interest to the debate on this piece of legislation. I think it is one of the most important which will come before the House because it affects every segment of the economy of this country and of the world. Prior to our deliberations on this bill, we saw the people of the United States subjected to the worst propaganda campaign against the American farmer that I have witnessed in my lifetime. We saw surpluses condemned. We saw farmers blamed for having created those surpluses, and we saw farmers called everything under the sun that they could be called without someone being guilty of libel. I want to say here and now that I resent that campaign. I think it is a tragic thing when the people of this country try to set one American against the other, and that is exactly what has been done in this particular case. We have heard from some high officials in this Government, that if the farmers did not watch out the city folks were going to rebel against them. Well, now I just want to make an observation or two about that. I hope I can talk you city folks out of rebelling against the farmers—I sure do. In the event, however, that I cannot and you are going to insist upon it, I think what you should do be-

fore the deadline for that rebellion is to take an inventory of these great bins that we have heard about which are bulging with all of these products and make sure that those bins are bulging and that those products are available. And if you find there is not a supply on hand that is going to last the people of this country for several years, I suggest you postpone your rebellion. What the city people of this country had better be worried about, if they want to start a fight, is that the American farmer might rebel against them. And when that time comes that such a fight happens, and God forbid that it ever does, the city people are the ones who are going to feel it first. They are the ones who are going to be hurt and hurt bad. Agriculture is the basis of our economy. This country was founded by farmers, and agriculture is and always will be, the basis of our economy. And those who are a part of that segment of our economy are getting pretty sore, when every time somebody wants to adjust the economy downward, the first group they jump on is the American farmers. When the time comes to adjust it upward, the American farmer is the last one that is thought of.

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

Mr. ROGERS of Texas. I yield to the gentleman from Minnesota.

Mr. WIER. I think you should clarify that, because many of us from the labor movement in the large industrial centers supported this bill yesterday.

Mr. ROGERS of Texas. I thank the gentleman. I apologize if I have offended anyone. I was merely making the point that we should be unified today for these programs, and there should not be a continuation of this propaganda campaign to set American people one against the other.

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

Mr. ROGERS of Texas. I yield.

Mr. ROOSEVELT. Is it not true that this propaganda has been spearheaded by the incumbent Secretary of Agriculture?

Mr. ROGERS of Texas. He has made speeches that have been quoted as the core of this campaign.

As a matter of fact, we hear talk about \$6½ billion in surpluses as constituting a crime; yet, my friends, it was not a crime for this House of Representatives just a day or two ago to underwrite giving \$3½ billion to foreigners, in addition to \$9 billion that was already appropriated and unexpended.

Now, what do you think the American farmer is going to think about that when he is one of the main contributors of that \$12 billion in foreign aid? Let us look at this thing realistically and quit trying to pull the wool over someone's eyes. The purchasing power of the American farmer is what makes prosperity. The reason for that is simply this, that the farmer always needs something, and if he can get his hands on the money he will buy it. It is not hard to understand why he needs it. If you have any doubt in your mind about a tractor seat being harder on a pair of pants than an overstuffed chair, just go out and ride a tractor for a while. That

is all you have to do. It is that simple. The American farmer is a man who is willing to buy what he needs. He is willing to increase his standard of living so that others may live also. When you hurt the farmer you hurt yourselves, because what you are doing is simply this: You are killing the very purchasing power that makes prosperity, and when you do that you run the little farmers off of the farms. When you run them off of the farms, where do they go? They go into the cities and into the labor markets? When they go into the labor markets, what happens? The farmlands that they have occupied and used and made a living from for their families and their children and used to feed and clothe them are operated in large tracts. The result is that in one section where you might have used 25 tractors your need for tractors is reduced to 5 or 10 because of the unitization of several family-size farms. This means that the available labor to produce tractors will be increased but the demand for tractors will decrease. The inevitable result will be unemployment.

Yes, let us be realistic. You cannot have prosperity in this country unless you have purchasing power, and you cannot have purchasing power unless the little man that keeps this country together—and I am talking about the American farmer, and especially the one on the family-size farm—has some wherewithal to buy what he needs for himself and his children.

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

Mr. ROGERS of Texas. I yield.

Mr. DOWDY. I think the gentleman is getting directly at the problem here. William Jennings Bryan said many years ago that you can destroy a city and leave the productive farms and soon the city will be rebuilt. If you destroy the farms and leave the city the grass will grow in the streets of the city. That is not an exact quotation but that is what the gentleman is driving at, I am sure.

Mr. ROGERS of Texas. Yes; the gentleman is exactly right and I thank him for his contribution. People do not realize how much we depend on the farmers. If there were a general grass crop failure for one full year all animal life would perish.

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

Mr. ROGERS of Texas. I yield.

Mr. YATES. The gentleman does not contend that ours is not an integrated economy and that the workers of the city do not contribute to the greatness of the country the same as do the farmers, does he?

Mr. ROGERS of Texas. Not a bit in the world; and the farmers do not want to fight with the city people. They want to live in harmony and help to build a stronger America.

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

Mr. ROGERS of Texas. Let me make just one point. I will yield provided I have any time left.

I wish that I had the time to discuss each of the various phases of the farm program and show you how much they have contributed to America, but the

limited time will not permit. However, there is one point that I want to conclude with. We all recognize the Communist threat against the freedoms that we so dearly cherish. We also recognize that there has been much investigation in the battle to protect this country from infiltration by this insidious force of evil. Do we fully appreciate that in all these long and involved investigations, the American farmer has never been the subject of question either directly or indirectly? His patriotism and devotion to country have always been beyond the shadow of suspicion. He has always been Mr. America, a shining symbol of honesty, integrity, industry and deep patriotism.

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

Mr. Chairman, the first section of the bill now under consideration provides for a 1-year continuation of price supports at 90 percent of parity for basic commodities. The Harrison amendment, the alternative offered and urged by the Republican leadership in the House, will place these basic commodities under a system of flexible price supports.

The proponents of the Harrison amendment have made several claims in support of it which, in my opinion, have not been substantiated by their arguments. For example, the argument that flexible price supports will solve the surplus problem is not borne out by the record. The records reveal that many of the surplus troubles with certain farm commodities have occurred at a time when they were under a system of flexible supports. Milk and butter are under a flexible program. Potatoes were under a flexible program several years ago when we had such a tremendous surplus. A similar experience was had with eggs under a program of flexible supports.

The argument that a program of flexible price supports will reduce the cost to the consumer has not been substantiated. In answer to an inquiry made by a member of the House Committee on Agriculture to Secretary of Agriculture Ezra Taft Benson as to whether he thought that a loaf of bread would be any cheaper to the housewife if flexible price supports were imposed, Secretary Benson answered, "There will be practically no change in the loaf of bread or in food prices generally." This was the answer of the gentleman who is the chief advocate of flexible price supports.

The argument that the inclusion of the basic commodities under a system of flexible price supports will save millions or even billions of dollars to the taxpayers is refuted by the facts. The senior Democrat on the House Agriculture Committee [Mr. COOLEY], pointed out on the floor during the first day of debate that on the basic commodities, which involves the 90 percent price-support program, the sum of \$21 million has been lost over a period of 21 years—a total loss of only \$1 million a year to the taxpayers. This amount seems ridiculously small when compared to the \$3½ billion authorized by the House earlier this week for the foreign-aid program.

If the inclusion of the basic commodities under a system of flexible price supports will not necessarily solve the

surplus problem, reduce costs to the consumer, or save millions for the taxpayers, then what advantage does it offer? Some argue it will be beneficial to the farmer who raises these basic commodities. Actually, there are many reasons to believe it will have a reverse effect at the present time. We know that the net income of the farmer has declined 13 percent during the past 2 years. In the case of wheat, cotton, peanuts, tobacco, and corn, acreage allotments or marketing quotas are already in effect. This, of course, means an additional cut. To further reduce the income of the farmers of this country by including at this time the basic farm commodities under a system of flexible price supports will, in my opinion, be unwise.

The bill now before us is the result of 10 months of work by the House Committee on Agriculture. I am certain the recommendation that there be a 1-year continuation of price supports at 90-percent parity was no hasty decision by the members of that great committee. I supported the committee recommendation by voting yesterday in opposition to the Harrison amendment. I trust that today we will have a record vote on the Harrison amendment and that it will be defeated.

The Clerk read as follows:

SEC. 303. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 332. Not later than April 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year."

SEC. 304. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out of subsection (a) "July 1" following the words "not later than" and inserting in lieu thereof "April 15."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 20, line 7, insert:

"SEC. 305. Notwithstanding any other provision of law, in areas where a summer-fallow crop rotation of wheat is a common practice the 1955 wheat acreage allotment for farms in such areas on which such rotation was practiced with respect to the 1952 and 1953 crops of wheat shall not be less than 50 percent of (1) the average acreage planted for the production of wheat for the calendar years 1952 and 1953 plus (2) the average acreage summer fallowed during the calendar years 1952 and 1953, adjusted in the same ratio as the national average seedings for the production of wheat during the calendar years 1952 and 1953 bears to the national acreage allotment for wheat for the 1955 crop: *Provided*, That no acreage shall be included under (1) or (2) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and National acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments."

The committee amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. DEWART: Page 21, following line 3, add a new section:

"SEC. 305.1. Whenever the Secretary finds that there is a shortage of high-protein wheat he shall allot additional wheat acreage to those farms that during the last crop year produced wheat testing 14 percent protein or higher: *Provided*, That the total acreage allotted by the Secretary under this section shall not exceed the total acreage found necessary by the Secretary to increase the production of high-protein wheat to an amount necessary to supply domestic needs."

Mr. DEWART. Mr. Chairman, the intent of this amendment is to meet a shortage in a certain class of wheat in this country.

Earlier in this session I introduced a bill that had this objective. The bill was not enacted into law because, in the Senate an amendment was adopted that provided that when a class of wheat was in shortage the Secretary could increase the acreage for that class. It was enacted into law and went into effect as it applies to different classes of wheat. It is a fact that it is broad enough so that it could cover this wheat, but they do not, and in this country at this time we have an actual shortage in high protein wheat. There are certain areas of the country that raise this high protein wheat. The shortage is indicated by the premiums that are paid on high protein wheat. There is in this country at the present moment a shortage of high protein wheat; in fact, recently the premium for this class of wheat has gone as high as 80 cents a bushel and even that did not bring very much high protein wheat into the market. As a result we are at the present time importing this particular class of wheat from Canada.

My amendment proposes that when this wheat is in shortage, this high protein wheat, then the Secretary will be permitted to increase the acreage allotment on which high protein wheat is grown. I think it is in the interest of the country to adopt this particular amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. When I heard the amendment read I thought it applied primarily to the production of durum wheat, of which we have a shortage.

Mr. DEWART. No; I named protein wheat and when it is about 14 percent. The average runs about 11 percent.

Mr. AUGUST H. ANDRESEN. I am somewhat familiar with high-protein wheat. At the present time, unfortunately, most of the high-protein wheat is in the hands of the Commodity Credit Corporation, and I understand there is a quantity in storage out in the State of Montana.

Mr. DEWART. If that is true, why is it that 80 cents a bushel premium does not bring it out of storage? We doubt that it is in the hands of the Commodity Credit Corporation.

Mr. AUGUST H. ANDRESEN. They have paid as high as 96 cents for 16-protein wheat.

Mr. DEWART. Which indicates a shortage in the market for high-protein wheat.

Mr. AUGUST H. ANDRESEN. I am somewhat familiar with wheat, and let me say to the gentleman it is difficult to say what the protein content of wheat is going to be until after your crop is harvested.

Mr. DEWART. That is correct; but there is no difficulty after it is harvested. We have a case history of every farmer who grows high-protein wheat.

Mr. AUGUST H. ANDRESEN. You have to wait for the weather. I have known times when they produced 14- or 15-protein wheat in Kansas, where they have had a crop of high-protein wheat; but they can never tell until the maturing season came on as to the protein content.

Mr. DEWART. High-protein content wheat is produced only in limited quantity. The provision would not become effective unless there is a shortage, in which case it would permit the production of this class of wheat by increasing the allotment of acreage of those people based on the case history.

Mr. AUGUST H. ANDRESEN. I am surprised that some of the high-protein wheat that is in private storage in Montana has not come out on the market.

Mr. DEWART. There are no figures to prove it is in storage. I have tried to check that with the Secretary of Agriculture, and he has not been able to produce any figures to show that there is high-protein wheat in storage. If there is, why was it not made available to those who need it when the premium is as high as the gentleman says? I think that proves it is not available.

Mr. AUGUST H. ANDRESEN. They told me there is high-protein wheat in storage; on the other hand, I have heard the charge that the Commodity Credit Corporation is cornering high-protein wheat. They sell a little bit of it. But I think our American millers should have the benefit of some of the high-protein wheat whether it comes from the Commodity Credit Corporation or from the private holders of wheat.

Mr. DEWART. I am trying to give a little benefit to the wheat farmers who can grow this kind of wheat. When that shortage is so great that a premium of 80 to 96 cents is paid, it is clear evidence we need more acreage of that kind of wheat.

Mr. HAGEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield to the gentleman from Minnesota.

Mr. HAGEN of Minnesota. As a matter of fact, the farmers of Minnesota, North Dakota, and Montana are anxious to raise additional durum wheat, which is in short supply. Would your amendment increase the supply and thereby decrease the cost to the consumers?

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

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

Mr. Chairman, I regret that I feel I must oppose the amendment offered by the distinguished gentleman from Montana who has always done a splendid

job in representing the wheat producers of his great State which produce such high quality wheat. I am in sympathy with the viewpoint that he has expressed here, but it would seem to me for several reasons that we should not adopt this amendment at this particular time.

In the first place, I believe it would be very difficult, if not impossible, to administer the amendment in its present form. In the second place, I think everyone who is familiar with wheat out in the high plains country knows that protein, while it is a regional characteristic, and while wheat generally in those areas has a high protein content still it is also something that is promoted to a considerable extent by the weather that prevails in any particular year. You might have a situation where wheat would have 15, 16, or 17 percent protein in 1 year, and yet the weather and the climatic conditions might be so different the next year, that it would be down considerably.

So, it seems to me that we should perhaps approach the matter from a little different viewpoint and give it further study. I am glad to assure the gentleman from Montana that if the amendment is voted down, that our committee will give careful consideration to some provision that might enable high protein wheat producers to be given consideration for additional allotment when there is a scarcity of that commodity. I think that the provision in this bill relating to a two-price system on wheat which will permit the payment of premiums for high quality wheat and not impose restrictions will, to some extent, meet the situation if they are adopted. I urge, until we have time to study the matter further, that the amendment be rejected.

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

Mr. Chairman, I realize that the House is impatient to proceed with this bill. However, I would like to make a few overall observations before the final votes are cast. I realize that the bill has been debated extensively, and I have no desire to undertake to repeat all the arguments which have been made.

I do want to reiterate my unalterable opposition to the proposal for a flexible, so-called sliding-scale system of supports for basic and storable crops. I think the 90-percent basis of support should not be referred to as a high support. Ninety percent is high when compared to 75 percent, but 90 percent of parity is not high when compared to the true facts of the situation. It is 10 percent less than an adequate price. Would labor and industry call 90 percent of an adequate wage or price for industrial products high? Of course not.

Yesterday I was shocked and surprised when the House tentatively adopted the Harrison amendment, which provides that the minimum basis for price supports on basic crops shall not be 90 percent, but 82½ percent of parity. This adoption of a modified form of sliding scale is a step in the wrong direction. It is a move toward greater farm surpluses, toward unemployment for labor, and stagnation for business. It is the beginning trend of demoralization in ag-

riculture. I have no doubt as to the accuracy of my words.

Some well-intentioned people sincerely believe that the sliding-scale support program will reduce agricultural surpluses and solve the farm problem. Unfortunately it will not do anything of the kind. I think it is very probable that the lower support program will increase farm surpluses. The farmer will have to try to produce more in order to get together enough cash to pay his fixed charges of operation.

Some in good faith believe that the sliding-scale program of support will reduce the cost of living to the consumer. The debate during the last 3 days tends to defeat that claim. Of course, if stagnation comes, the cost to the consumer will be less, but the capacity of the consumer to pay will be drastically reduced. The consumer needs a healthy condition in agriculture in order that he may be assured of an adequate and dependable supply of food and fiber. Stagnation in agriculture will not meet the requirement. It will set up a chain reaction that will slow down industrial production, throw city workers out of employment, and remove the farmer as a major purchaser of manufactured goods.

Another thing I want to go on record against is a reduction below the 90 percent support level for basic crops next year or thereafter. If there is going to be a support program on basic crops, 90 percent will never be too high.

I regret to see the Brannan plan adopted in portions of the pending measure. If the plan was bad a few years ago under a different administration, it is bad today.

I well recognize that it is impossible to have a perfect farm program, but I think a better job could have been done on the pending bill. I repeat that I very much fear that a trend has begun which will mean dark days and distress for the farm people of our country. There is rough sledding on the road ahead for agriculture, and the impact will be felt on the entire economy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. D'EWART].

The amendment was rejected.

The Clerk read as follows:

SUBTITLE B—COTTON

SEC. 305. Section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"10 (C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 20 percent of the sum of such consumption and exports as an allowance for carryover."

With the following committee amendment:

Page 21, line 5, strike out "305", and insert "306."

The committee amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. HUNTER: On page 21, beginning with line 5, strike out all of the language through line 13.

Mr. HUNTER. Mr. Chairman, the effect of my amendment is to leave the law as is with respect to the definition of "normal supply" of cotton.

The permanent provisions of the Agricultural Act of 1949 provide that, in calculating normal supply, the carryover allowance shall be 30 percent of the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus estimated export of cotton for such marketing year.

The bill now before us reduces the carryover allowance from 30 percent to 20 percent. That means that the Secretary of Agriculture would be required to invoke quotas on cotton upon the basis of a supply smaller by 10 percent of estimated domestic consumption plus exports than under existing law.

My amendment would strike out this part of the bill and leave the carryover allowance at 30 percent, as provided in the 1949 act.

I am advised that the intended purpose of this provision of the bill is to prevent the recurrence of such a large carryover, or surplus, of cotton as that with which we are now faced. It is estimated that, as of August, it will be close to 10 million bales, or 165 percent of estimated domestic consumption plus exports for the coming marketing year.

I submit that such a provision is not an advisable means of reducing the current surplus. It will have no effect this year, or next year, 1955, or the year after next, 1956. For the years after that, it could very likely cause a dangerously low reserve, which, in turn, could cause price ceilings and export quotas to be placed in effect as they were in 1950. You will recall that in 1949 we had a carryover of 7 million bales. Yet on September 8, 1950, due to the emergency created by the Korean war and a 10-million-bale crop for 1950, export restrictions were placed on United States grown cotton. Following that, the world price of cotton almost doubled. Cotton in Egypt rose from 50 cents a pound to \$1.04 in 7 months. The price of cotton in Mexico rose from 31 to 63 cents, and in Pakistan from 34 to 63 cents during that same period, August 1950 to March 1951.

In 1951, foreign cotton acreage increased over 7,500,000 acres and production rose by approximately 2,200,000 bales. This cotton displaced United States exports. Meanwhile, United States growers were receiving \$75 a bale less than the world price.

Most of the additional 7,500,000 acres still remains in production. As a consequence, we have not gained back the markets we lost. Our exports in 1952 were 3 million bales—just half what they were in 1949.

This change in the law came as a surprise to me. It was not discussed in the hearings to any appreciable extent. It was not considered at any beltwide conference of the cotton industry. After the bill was printed, I inquired of

the National Cotton Council if that organization knew anything about the provision, and, if so, what did the membership think of it. The representatives of the council informed me that it was new to them and that upon checking with various segments of the industry, the reaction was one of amazement and virtually unanimous opposition.

Upon checking with the Western Cotton Growers Association and other representatives of the cotton industry in the West, I found that they, too, were opposed to this change.

I also discovered that the American Farm Bureau Federation opposed the measure, and that the farm bureaus of the Southern States were in accord. On inquiring of the Secretary of Agriculture, I learned that the Department of Agriculture is also opposed to the change.

Why this opposition? Because a 20-percent carryover is not considered adequate, particularly in the case of cotton which is an export commodity.

I asked the Cotton Council to compute for me the possible effect of reducing the carryover allowance to 20 percent. Following are their figures:

Possible effect of reducing carryover allowance to 20 percent
[Million bales]

	Objective	Actual ¹
Carryover Aug. 1.....	2.5	1.5
Plus average ginnings to Sept. 1....	.75	.75
Cotton available to Oct. 1.....	3.25	2.25
Less consumption August and September.....	2.00	2.00
	1.25	.25

¹ Estimates have to be made 1½ years ahead. If 10 million bale crop under marketing quotas were 5 percent below normal due either to underplanting or low yield or both and domestic consumption and exports were 4 percent above estimates made 1 to 1½ years ahead, carryover Aug. 1 would be 1.5 million bales instead of 2½ million bales anticipated when quota was set.

NOTE.—Lowest United States mills stocks in past 25 years was 670,000 bales in 1949.

When applied to the most recent years, the 30 percent carryover amounts to 3.5–4 million bales. That is equal to about 5 months domestic consumption or about 3 months domestic consumption plus exports. I believe we should continue to use the 30 percent figure in calculating the allowance for carryover instead of the lower figure of 20 percent.

Mr. Chairman, cotton producers and other segments of the cotton industry have worked many years to develop the permanent provisions of the present price support and adjustment legislation as it relates to cotton. There is general agreement throughout the cotton producing areas of the United States with regard to the provisions of the Agricultural Adjustment Act of 1938 as amended on the definition of "normal supply." I, therefore, am of the opinion that the change embodied in the bill before us should not be made at this time.

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

Mr. HUNTER. I yield to the gentleman from Texas.

Mr. MAHON. I am friendly toward the gentleman's amendment. Has he made it clear that if this amendment is

adopted it will not affect cotton production in 1955-56?

Mr. HUNTER. It will not affect cotton production in 1955 and 1956. The year following it might create a dangerously low reserve. That was the point I brought up.

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

Mr. HUNTER. I yield.

Mr. COOLEY. Does the gentleman know how many bales of cotton his amendment would add to the normal carryover?

Mr. HUNTER. It is a difference of about 1 million-plus. Thirty percent would give you a carryover of from 3½ to 4 million bales. Twenty percent would give you about 2½ million bales. That is not considered an adequate carryover if we are going to maintain and develop our foreign markets over the years.

Mr. COOLEY. Does the gentleman know how many acres are involved? It would be far more than 1 million—perhaps 2 million acres, would it not?

Mr. HUNTER. The number of acres is not the question here. I am speaking of the definition of normal supply.

Mr. COOLEY. I know exactly what the gentleman is speaking of.

Mr. HUNTER. In my opinion, a 30-percent carryover constitutes a proper part of a normal supply and is in the best interests of our marketing program, both domestic and foreign. I am interested in maintaining those markets.

Mr. COOLEY. If the gentleman will yield further, the gentleman is aware, I am sure, that under the Benson proposal he is proposing to set aside 4 million bales of American cotton. That is true, is it not?

Mr. HUNTER. Yes, but acreage allotments and marketing quotas are not affected. The set aside is included as part of normal supply.

The CHAIRMAN. The time of the gentleman from California [Mr. HUNTER] has expired.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

There was no objection.

Mr. HUNTER. Finishing the statement that I was making to the gentleman from North Carolina [Mr. COOLEY], the set-aside does not affect the acreage allotments and marketing quotas. The set aside only affects the support price.

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

Mr. HUNTER. I yield to the gentleman from California.

Mr. PHILLIPS. Very briefly I want to say that I commend the gentleman on and support his amendment. Is it not a fact that 30 percent represents the present situation and the gentleman merely proposes to continue the percentage which exists at the present time?

Mr. HUNTER. That is correct. It was in the Agriculture Act of 1949. It is permanent legislation.

(By unanimous consent (at the request of Mr. ALBERT), Mr. HUNTER was given

permission to proceed for 1 additional minute.)

Mr. ALBERT. Mr. Chairman, will the gentleman yield for one question?

Mr. HUNTER. I yield.

Mr. ALBERT. It is a fact, however, that the carryover will have some effect on whether our supply is dangerously low or not? I am referring to the set-aside. That is, it is a fact that the set-aside will have some effect on the question of how dangerously low our supply might be?

Mr. HUNTER. That is the point. In computing normal supply the Secretary of Agriculture is required to include the set-aside. It is only when it comes to the question of price supports that the set-aside is excluded. It is ironic that the Committee on Agriculture has deemed it advisable to establish a set-aside of 4 million bales and yet reduces the carryover to 2.5 million bales. These actions are inconsistent.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to join my Republican colleague from California in urging support of his amendment. I have an identical amendment at the desk; therefore, this is not a partisan question.

May I first comment that the cotton program is one with respect to which the Federal Government has not lost a cent; in fact, the Government has made money on the price-support operation with respect to cotton. This would indicate that there is no substantial reason for changing the ground rules which govern cotton allotments and cotton production. This success is the best answer to this contemplated change in the law, which was arrived at with almost no, or no public hearings, not in response to substantial requests from cotton producers throughout the United States, and certainly without the agreement of the producing groups in the United States.

This program of Federal price supports, the farm program, is not a relief program for farmers; it is a recognition of the fact that the farmers are a substantial element in our economy and that they need special answers in order to rationalize their production so that supply is kept in a fair ratio to demand. That is the way the cotton provisions of the law have worked out, as I say, at no cost to the Government.

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

Mr. HAGEN of California. I yield.

Mr. MAHON. Is it the gentleman's point that under existing law on 130 percent of normal supply the Government has made about a quarter of a billion dollars?

Mr. HAGEN of California. That is correct.

Mr. MAHON. Therefore, why change the system which seems to have been reasonably adequate?

Mr. HAGEN of California. That is right. There has been no demonstrated need for the suggested change. The surpluses which have been handled in the past have not been such that they have cost the Government any money, and there is no necessity for a change.

Mr. Chairman, it is recognized that as a part of this concept of a rational adjustment of cotton supply to demand there should be some carryover of supply from marketing year to marketing year as a cushion to meet emergency demand or short supply caused by crop failures. In other words, it is beneficial to the consumer and to the Nation to have a carryover. That has been recognized in this cotton program. So the question comes up—what is a reasonable carryover? I think the committee has supplied the answer to that, and it is not the answer supplied in this particular change which they seek to make in the law, but is found in their set-aside amendment. There they specify that the Secretary shall set aside from 3 million to 4 million bales of cotton. That is a figure which corresponds with 30 percent of carryover much more than it does with 20 percent. In other words, it is a recognition that for the purposes of a sound cotton program and a sound cotton market, and for the purposes of national defense, we should at all times have at least 3 to 4 million bales of cotton on hand in excess of anticipated foreign and domestic demand. I think the committee has, therefore, placed again their imprimatur of approval on the existing feature of the law and in trying to adopt this amendment they are, in effect, being slightly inconsistent.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. RHODES of Arizona. Is it not true also that during the last session the whole Cotton Belt was very much disturbed about the possibility that the imposition of acreage allotments under the laws existing at that time might reduce the reserve of the cotton carryover to a point which would be extremely dangerous to the country?

Mr. HAGEN of California. Yes, and I believe some of the gentlemen who support this amendment and who are opposed to the amendment offered by the gentleman from California [Mr. HUNTER], and myself, were the loudest exponents of that theory.

Mr. RHODES of Arizona. And the whole Cotton Belt was standing shoulder to shoulder at that time to keep the cotton reserve at that point which would not be dangerous and which would not have the result we saw in 1950 when we lost our foreign markets.

Mr. HAGEN of California. That is quite correct, and you must also recall that we are in a very ticklish international situation today. We do not know from day to day when we might need a much greater supply of cotton than we have now.

Mr. RHODES of Arizona. I support the gentleman's position. I feel that it is dangerous to change the law from the way it now is.

Mr. HAGEN of California. You reasonably ask why representatives of some cotton areas oppose an action which other cotton area representatives endorse. In addition to the reasons I have already stated I oppose the committee action on the ground that it is a long step toward a constant quota situation

which will close the door to expansion of cotton production in new areas where costs can be reduced and a better product secured. We in the West feel that our area is one of such areas and that we have been rendering the consumer and the Nation a real service by instituting a better and more efficient cotton culture. We don't want a straitjacket type of program which has no justification of necessity and will cause periods of short supply with speculative boosts in prices similar to those now occurring with respect to coffee with the consumer footing the bill and no benefit whatsoever to the producer for whom the program was designed.

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

Mr. HAGEN of California. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute?

Mr. AUCHINCLOSS. Mr. Chairman, reserving the right to object, and I will not object in this instance, I want to notify the Members of the House and of the Committee of the Whole that I intend to object to any further requests for extension of time.

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

There was no objection.

Mr. HAGEN of California. Mr. Chairman, we have visualized the situation where the cotton industry might be under quotas at all times. In other words, there will be no room for improved methods in the field of production. That is the situation we want to avoid. We want to avoid as far as possible regimentation in the production of cotton and we feel in California, and in the West generally and in some areas of the South and the Southwest, that we can get along very well with a minimum of quota requirements.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. JONES of Missouri. In other words, the people of California want no regulations and no acreage controls and they want the lid taken off so that they can grow all the cotton they want to; is that correct?

Mr. HAGEN of California. No, we recognize that a part of a sound program is regulation. But the question is what regulation is reasonable? We say that the present law represents a reasonable regulation.

Mr. GATHINGS. Mr. Chairman, I rise in opposition to the amendment of the gentleman from California [Mr. HUNTER].

Mr. Chairman, this measure was discussed painstakingly by the Committee on Agriculture. It took 2 or 3 days' time to finally arrive at an agreement on this amendment, which was offered by the gentleman from Mississippi [Mr. ABERNETHY], in striking out the 30 percent and inserting in lieu thereof 20 percent. Here is what it really means. It just says that when you obtain the normal supply of cotton, then quotas and acreage allotments would be invoked by the Secretary of Agriculture.

Now what will be the normal supply of cotton? It would be the domestic

consumption of cotton, plus exports, plus 30 percent, as the law now stands. But the Committee on Agriculture has brought in 20 percent. The normal supply would be the consumption in the United States, plus exports, plus 20 percent under the bill. Then in that event quotas would be invoked. Now it is going to get down to a question of whether or not this House wants to invoke quotas; whether or not this House is desirous of cutting down on the surplus cotton. I come from a great cotton-producing area. Many of the counties in the State of Arkansas have gone out of the production of cotton. The greater part of the State's cotton is grown in the alluvial valley area, a portion of which I am privileged to serve. It may be beneficial to some to open it wide open and let the cotton farmer plant all of the acreage that he desires. This would aggravate instead of alleviate the surplus problem. It was the intention of the Committee on Agriculture to keep down these surpluses by requiring quotas when you obtain a supply figure that would equal the domestic consumption, plus exports, plus 20 percent.

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

Mr. GATHINGS. I yield to the gentleman from California.

Mr. HUNTER. Is it the gentleman's view that a carryover of three or four million bales is too much? In my opinion, three or four million bales is not excessive. We have to have something outside the pipeline in order to meet the demands of our foreign consumers. If they do not have an adequate carryover, we are likely to get into the same position that we got into in 1950.

Mr. GATHINGS. There will be ample cotton if 20 percent more than is required to meet all needs here and abroad is on hand. It is expected, after this present crop is harvested on August 1 next year that there will be a percentage supply of 135.9 percent. Quotas would then be invoked for the following year 1956. Now, let us look 1 year further ahead. It is expected that the supply percentage will be 126.9 percent. It will lack only about 3.1 percent before the Secretary will have the privilege of invoking quotas should the gentleman's amendment be agreed to. So if this House wants to invoke quotas for 3 straight years you should vote down the amendment offered by the gentleman from California, because after 2 years the supply percentage would be 126.9 and quotas would not be invoked the following year. If you run along 1 more year the supply percentage would be 114.7 percent. Quotas would not become effective that year, because it would have to reach 120 percent under the provision written in the bill. It is a question of whether or not this House wants to assure quotas for 1 more year or you desire controls for 3 years. Under your amendment it would insure quotas for 2 years.

Mr. HUNTER. My interest in this matter is that a carryover of 30 percent is more reasonable both in terms of our

domestic requirements and our needs for foreign export.

Mr. GATHINGS. The cotton industry would be better off if the farmer knew that he would be under controls for 3 more years rather than 1. We would not have been in the present supply dilemma if Secretary Brannan had put acreage allotments and quotas into effect in the crop year 1953. I hope the amendment will be defeated.

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

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

Mr. Chairman, when we were considering this bill in the committee I offered this particular provision and it was overwhelmingly adopted by the committee. The House can, and I hope it does, work its will on the gentleman's amendment.

I want to be fair with you and I want you to be fair with me and the author of this amendment. I want you to know the situation, the full meaning of his amendment, and be fully informed before you vote, and that will be the purpose of my remarks. If after speaking I have not given you exactly the situation and what you are voting on, I would like for the author of the amendment to challenge my statement.

Just a few moments ago the author of the amendment was asked this question by the gentleman from Texas [Mr. MAHON]: "Do you want to continue the present situation?" You heard the question; and the gentleman from California replied that he did wish to continue the present situation and made it clear that that is what his amendment would do.

Now, what is the present situation? We have 8 or 9 million surplus bales of cotton. That is too much, and you know it. I for one do not want to continue the present situation; I think it is terrible. It is bad both for the farmer and the Government. Just think of the quantity of money the Government has out on that cotton. Think of the trouble it has visited upon our cotton farmers. Should we not do something about it? Should we not take action now to see that once this surplus is out of the way that a similar one will never again accumulate to haunt and hound us?

We have complained time and again that the Secretary of Agriculture did not invoke marketing quotas and acreage allotments soon enough. There was good ground for the complaints, I must say. They should have been invoked on the 1953 crop and would have been if the law had been in the same language as is carried in this bill. So why not amend the law so another Secretary cannot make the same mistake.

I am attempting to tighten up the law just a little. I put the Secretary in the position of determining that when we get as much as 2,600,000 bales or thereabout on hand over and above that which we do not need, that we are going to cut this acreage down and not repeat what happened in 1953.

The position of the gentleman from California is that he wants to wait until you have on hand 4 million bales of cotton over and above the need before the acreage is reduced. Am I right or wrong?

Mr. HUNTER. Somewhere between 3,500,000 and 4 million bales.

Mr. ABERNETHY. Then I have made only a slight error in my estimate and am therefore substantially correct.

The point is that you want to have on hand a larger surplus and I want to have a smaller surplus, one that will not keep our price down.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HAGEN of California. I want to compliment the gentleman on his fine presentation, as always. But last year we were confronted with cotton legislation and the Secretary proclaimed an allotment of 17,500,000 acres.

Mr. ABERNETHY. That is right.

Mr. HAGEN of California. Do you know what the surplus was at that time?

Mr. ABERNETHY. I do not recall. I know what it is now.

Mr. HAGEN of California. It was considerably more than now; is that not right?

Mr. ABERNETHY. I said I do not recall.

Mr. HAGEN of California. At that time, if you were quoted correctly, you were saying that 17,500,000 acres would jeopardize our position in the world market; in other words, that that acreage was too low, although it would have much more effectively got rid of our surplus.

Mr. ABERNETHY. With all deference, I did not take that position. I took the position that when Secretary Benson cut these farmers from 25 million back to 17 million acres in 1 year it was much more than they could stand, and you took the same position—of course you did.

Undoubtedly I have correctly stated the facts; otherwise I would have been challenged; and since I have not been, I am going to ask you to defeat this amendment and at least permit the bill to go to conference as is. It has for the first time forced this important subject to a head. Every Member and every individual with whom I have talked says something ought to be done about the situation. This may be the cure; it may not be; but certainly, if we ever once get this big surplus down, something must be done to keep cotton from running out of our ears again as it is now.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. JONES of Missouri. Does not the gentleman think that the adoption of this amendment will insure that the cotton producers will not be coming in here as they have twice during the past 3 years asking for additional acres after the market quotas have been set by the Secretary?

Mr. ABERNETHY. Certainly it will contribute to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HUNTER].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 39, noes 43.

Mr. HUNTER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HUNTER and Mr. ABERNETHY.

The Committee again divided; and the tellers reported that there were—ayes 61, noes 86.

So the amendment was rejected.

Mr. HARVEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and printed in the RECORD at this point, and open to amendment at any place.

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

There was no objection.

The remainder of the bill is as follows:

Sec. 306. Section 344 (f) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the first sentence to read as follows:

"(6) Notwithstanding the foregoing provisions of this subsection except paragraph (3), if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the county acreage allotment, less the acreage reserved under paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted in any 1 of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such 3-year period, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B) limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein.

SUBTITLE C—PEANUTS

Sec. 307. Section 358 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the proviso in the second sentence to read as follows: "*Provided*, That the national marketing quota established for the crop produced in the calendar year 1955 and any year subsequent to 1955 shall be a quantity of peanuts sufficient to provide a minimum national acreage allotment not less than the smaller of 95 percent of the national acreage allotment for the preceding year or the 1955 acreage allotment. The amount of the national marketing quota proclaimed hereunder may, not later than the following March 1, be increased if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restriction of marketings."

Sec. 308. Section 359 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first sentence thereof to read as follows:

"The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the

marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 50 percent of the parity price for peanuts for the marketing year (August 1-July 31)."

Sec. 309. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding three new subsections as follows:

"(d) The person liable for payment or collection of the penalty provided by this section shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"(e) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(f) The Secretary is authorized to compromise any claim for the penalty provided by this section at any time prior to referral of such claim to the Department of Justice for prosecution."

SUBTITLE D—WOOL

Sec. 310. This subtitle may be cited as the "National Wool Act of 1954."

Sec. 311. It is hereby recognized that wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

Sec. 312. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations, after consultation with producer representatives. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1954, and ending March 31, 1956. The support price for shorn wool shall be at such incentive level as the Secretary, after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this subtitle. The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 10 percent above or below the comparable percentage of parity at which shorn wool is supported. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

Sec. 313. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price

level therefor: *Provided*, That the total of all such payments made under this subtitle shall not at any time exceed an amount equal to 70 per centum of the accumulated totals, as of the same date, of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected on and after January 1, 1953, on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. The payments shall be made upon wool and mohair marketed by the producers thereof, but any wool or mohair placed under loan pursuant to a price support loan operation shall not be the subject of payments unless such wool or mohair was placed under loan subsequent to April 30, 1954, and redeemed by the borrower. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers the support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or all producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: *Provided*, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation.

Sec. 314. For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this subtitle, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: *Provided, however*, That such amounts so appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. For the purposes of the appraisal under the Act of March 8, 1938, as amended (15 U. S. C. 731a-1), the Commodity Credit Corporation shall establish on its books an account receivable in an amount equal to any amount expended by Commodity Credit Corporation pursuant to this subtitle which has not been reimbursed from appropriations made hereunder.

Sec. 315. Except as otherwise provided in this subtitle, the amounts, terms, and conditions of the price support operations and the extent to which such operations are carried out shall be determined or approved by the Secretary of Agriculture. The Secretary may, in determining support prices and rates of payment, make adjustments in such prices or rates for differences in grade, quality, type, location, and other factors to the extent he deems practicable and desirable. Determinations by the Secretary under this subtitle shall be final and conclusive. The facts constituting the basis for any operation, payment, or amount thereof when officially determined in conformity with applicable regulations prescribed by the Secretary shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

Sec. 316. The term "marketing year" as used in this subtitle means the 12-month period beginning April 1 of each calendar year or, for either wool or mohair, such other period, or periods for prescribed areas, as the Secretary may determine to be desirable to effectuate the purpose of this subtitle.

Sec. 317. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. Provision may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 312 of this subtitle to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditure in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective until the Secretary determines that at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production for market of the commodity specified therein approve or favor such agreement or that producers who, during such representative period have produced at least two-thirds of the volume of such commodity produced within the area which will be benefited by such agreement, approve or favor such agreement. Approval or disapproval by cooperative associations shall be considered as approval or disapproval by the producers who are members of, stockholders in, or under contract with such cooperative association of producers. The Secretary may conduct a referendum among producers to ascertain their approval or favor. The requirements of approval or favor shall be held to be complied with if two-thirds of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor.

SUBTITLE E—DAIRY PRODUCTS

Legislative finding

Sec. 318. The production and use of abundant supplies of high quality milk and dairy products are essential to the health and general welfare of the Nation; a dependable domestic source of supply of these foods in the form of high grade dairy herds and modern, sanitary dairy equipment is important to the national defense; and an economically sound dairy industry affects beneficially the economy of the country as a whole. It is the policy of Congress to assure a stabilized annual production of adequate supplies of milk and dairy products; to promote the increased use of these essential foods; to improve the domestic source of supply of milk and butterfat by encouraging dairy farmers to develop efficient production units consisting of high-grade, disease-free cattle and modern sanitary equipment; and to stabilize the economy of dairy farmers at a level which will provide a fair return for their labor and investment when compared with the cost of things that farmers buy.

"Price support"

Sec. 319. Section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, or for the period ending March 31, 1956, other operations in connection with milk and the products of milk and butterfat, except that, beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50 million annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under. In determining the level at which such price support for the marketing years beginning April 1, 1955, and April 1, 1956, respectively, shall be provided the Secretary shall take into consideration: (1) The declared policy of this act, (2) the estimated supply of milk and dairy products for the marketing year, (3) the estimated demand for milk and dairy products for the marketing year, (4) the price level for feed crops which affect the cost of milk production, (5) the estimated costs of producing, processing, and marketing milk and dairy products, (6) estimated returns to farmers from alternative crops and commodities, and (7) other economic conditions which affect the market supply and demand for milk and dairy products. For the purpose of determining the level of price supports, the parity equivalent of manufacturing milk shall continue to be computed on the 30-month base July 1, 1945, to December 31, 1948, at 88½ percent of parity for all milk sold wholesale by farmers until 10 full years shall have elapsed since July 1, 1946; thereafter the parity equivalent for manufacturing milk for any marketing year shall be computed on the basis of the average ratio which the prices received by farmers for manufacturing milk bears to the prices received by farmers for all milk sold wholesale during the most recent 10-year period ending July 1 of the previous year. Effective on milk and butterfat and the products thereof produced on and after September 1, 1954, the level of support for milk and butterfat for the marketing year ending March 31, 1955, shall be no less than 80 percent of the parity price therefor."

"Secretary directed to undertake domestic disposal programs"

Sec. 320. In order to prevent the accumulation of excessive inventories of dairy products the Secretary of Agriculture shall immediately undertake domestic disposal programs under authorities granted in the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, as amended, or as otherwise authorized by law.

"Donation of surplus dairy product to military services and veterans hospitals"

Sec. 321. Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"Sec. 202. As a means of increasing the utilization of dairy products, upon the certification that the usual quantities of dairy products have been purchased in the normal channels of trade—

"(a) The Commodity Credit Corporation shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction.

"(b) The Commodity Credit Corporation shall make available to the Secretaries of the Army, Navy, and Air Force, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as each Secretary certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration of the Army, Navy, or Air Force, and as a part of the ration in hospitals under his jurisdiction.

"(c) Dairy products made available under this section shall be made available without charge, except that the appropriate Secretary or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

"(d) The obligation of the Commodity Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operation and not disposed of under provisions (1) and (2) of section 416 of this act, as amended."

"Authorization for 5-year foreign contracts"

SEC. 322. For the purpose of assisting private trade channels in the development and expansion of foreign markets for United States dairy products, the Secretary is authorized, notwithstanding any other provision of law, to enter into commitments and contracts for periods of not to exceed 5 years for the sale of such products.

"Authorization for accelerated brucellosis eradication program"

SEC. 323. As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary is authorized to transfer not to exceed \$15 million annually for a period of 2 years from funds available to the Commodity Credit Corporation to the appropriation item "Plant and Animal Diseases and Pest Control" in the Department of Agriculture Appropriation Act, 1955, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith.

"Secretary directed to make additional studies"

SEC. 324. The Secretary of Agriculture is directed to make a study of the various methods of production control and of the various methods of price support which could be made applicable to milk and butterfat and their products, including programs to be operated and financed by dairymen; and to submit to Congress on or before the 3d day of January 1955, a detailed report thereof showing among other things the probable costs and effects of each type of operation studied and the legislation, if any, needed to put it into effect. The purpose of the study and report is to develop basic material which can be used by Congress in formulating an improved agricultural program for milk and butterfat and their products. Alternative programs are to be submitted for consideration by Congress and for possible submission to a referendum of dairy farmers. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

SUBTITLE F—CORN

SEC. 325. (a) The Agricultural Act of 1949, as amended, is amended by adding to title I a new section as follows:

"Sec. 102. (a) Notwithstanding the foregoing provisions of this act, the Secretary is authorized and directed to make available through loans, purchases, or other operations price support for the 1956 crop of corn as follows:

"(1) To cooperators in the commercial corn producing area, if the majority of producers voting in a referendum held pursuant to section 328 (b) of the Agricultural Adjustment Act of 1938, as amended, favor:

"The level of support shall be the following percentage of the parity price:

"(A) An acreage allotment----- 90
(B) No acreage allotment----- A minimum of 75 and a maximum of 90

"(2) To cooperators outside the commercial corn producing area the level of support shall be 75 percent of the level of support to cooperators in the commercial corn-producing area.

"(b) If producers voting in a referendum favor price support under subsection (a) (1) (B) of this section, the Secretary shall establish the price support level by taking into consideration the factors set forth in section 401 (b) of this act.

"(c) Notwithstanding the foregoing provisions of this section, if the Secretary proclaims an acreage allotment for the 1956 crop of corn pursuant to section 328 (a) of the Agricultural Adjustment Act of 1938, as amended, the Secretary is authorized and directed to make available through loans, purchases or other operations price support on such crop to cooperators in the commercial corn producing area at 90 percent of the parity price."

(b) Section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 328. (a) The acreage allotment of corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield of corn in such area during the 5 years immediately preceding the calendar year in which such allotment is proclaimed, adjusted for abnormal weather conditions, will produce an amount of corn in such area adequate, together with the estimated carryover at the beginning of the marketing year which begins in the next calendar year, the amount of corn to be produced outside such area, and the amount of corn to be imported, to make available a supply equal to the normal supply. The Secretary shall proclaim such acreage allotment not later than November 20 preceding the calendar year for which such acreage allotment was determined.

"(b) Notwithstanding the foregoing provisions of this act, if the Secretary finds prior to November 20, 1955, that the total supply of corn for the marketing year beginning October 1, 1955, does not exceed the normal supply for such marketing year by more than 30 percent—

"(1) In lieu of proclaiming a national acreage allotment for the 1956 crop of corn pursuant to subsection (a) of this section, the Secretary shall, between November 20 and December 15, 1955, conduct a referendum, by secret ballot, of farmers engaged in the production of corn in the commercial corn-producing area in the calendar year 1955. The Secretary shall submit in the referendum the questions whether the farmer favors for the 1956 crop (1) price support at 90 percent of the parity price with an acreage allotment in the commercial corn-producing area which will make available a

total supply for the marketing year for such crop equal to the normal supply, or (2) price support at not less than 75 nor more than 90 percent of the parity price without an acreage allotment in the commercial corn-producing area. Upon publication of the notice of the referendum, the Secretary shall also determine and publish the acreage allotment for the 1956 crop of corn in the commercial corn-producing area which, on the basis of the average yields of corn in such area during the 5 years immediately preceding the calendar year 1955, adjusted for abnormal weather conditions, will produce an amount of corn in such area adequate, together with the estimated carryover at the beginning of the marketing year which begins in the calendar year 1956, the amount of corn to be produced outside such area, and the amount of corn to be imported, to make available a supply equal to the normal supply.

"(2) The Secretary, within 30 days after the date of such referendum, shall announce the results thereof, proclaim the acreage allotment, if favored by the majority of producers voting in the referendum, and announce the price support level determined pursuant to section 102 of the Agricultural Act of 1949, as amended."

SEC. 326. Section 329 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the word "ten" and inserting in lieu thereof the word "five."

SEC. 327. (a) Sections 322 to 325, inclusive, and section 326 insofar as it is applicable to corn, of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed, and section 327 thereof is hereby amended to read as follows:

"Proclamation of commercial corn-producing area"

"SEC. 327. Not later than February 1 of each calendar year, the Secretary shall ascertain and proclaim the commercial corn-producing area."

(b) Public Law 74, 77th Congress, as amended, shall not be applicable to corn.

SEC. 328. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended—

(1) by adding in the first sentence of subsection (b) after the words "national marketing quota" the words "or acreage allotment" and by adding in the second sentence thereof after the words "such quota" the words "or allotment";

(2) by adding in subsection (c) after the words "marketing quota", wherever they appear therein, the words "or acreage allotment"; and

(3) by deleting subsection (d) therefrom.

SUBTITLE G—RICE

SEC. 329. The Secretary of Agriculture is directed to make a study of the various two-price systems of price support and marketing which could be made applicable to rice and to submit to Congress on or before March 1, 1955, a detailed report thereon. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

TITLE IV—CONSERVATION AND EXTENSION OF ACP PROGRAM

SEC. 401. Section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) "January 1, 1955" and "December 31, 1954", wherever they appear therein, and inserting in lieu thereof "January 1, 1957" and "December 31, 1956", respectively.

SEC. 402. Section 15 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590o), is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this sec-

tion and the provisions of section 7 (g), programs of soil-building practices and soil- and water-conserving practices shall be based on a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs, as determined by the Secretary, except that the proportion allocated to any State shall not be reduced by more than 15 percent from the distribution of such funds for the next preceding program year. In carrying out such programs, the Secretary shall give particular consideration to conservation problems on farmlands diverted from crops under acreage allotment programs."

TITLE V—MARKETING AND DISPOSAL OF AGRICULTURAL COMMODITIES

SUBTITLE A—AGRICULTURAL ATTACHES

SEC. 501. For the purpose of encouraging and promoting the marketing of agricultural products of the United States and assisting American farmers, processors, distributors, and exporters to adjust their operations and practices to meet world conditions, the Secretary of Agriculture shall acquire information regarding the competition and demand for United States agricultural products, the marketing and distribution of said products in foreign countries and shall be responsible for the interpretation and dissemination of such information in the United States and shall make investigations abroad regarding the factors affecting and influencing the export of United States agricultural products, and shall conduct abroad any other activities including the demonstration of standards of quality for American agricultural products for which the Department of Agriculture now has or in the future may have such standards, as he deems necessary. Nothing contained herein shall be construed as prohibiting the Department of Agriculture from conducting abroad any activity for which authority now exists.

SEC. 502. (a) To effectuate the carrying out of the purposes of this subtitle, the Secretary of Agriculture is authorized to appoint such personnel as he determines to be necessary and, with the concurrence of the Secretary of State, to assign such personnel to service abroad.

(b) When an officer or employee is assigned or appointed to a post abroad pursuant to this subtitle he shall have the designation of Agricultural Attaché, or such other title or designation as shall be jointly agreed by the Secretary of State and the Secretary of Agriculture.

(c) Upon the request of the Secretary of Agriculture, the Secretary of State shall regularly and officially attach the officers or employees of the United States Department of Agriculture to the diplomatic mission of the United States in the country in which such officers or employees are to be assigned by the Secretary of Agriculture, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(d) The President shall prescribe regulations to insure that the official activities of persons assigned abroad under this subtitle are carried on (1) consonant with United States foreign policy objectives as defined by the Secretary of State; (2) in accordance with instructions of the Secretary of Agriculture with respect to agricultural matters; and (3) under the supervision and coordination of the chief of the United States overseas diplomatic mission.

SEC. 503. The Secretary of Agriculture may, under such rules and regulations as may be necessary, provide to personnel appointed or assigned under this subtitle allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946. Annual leave for personnel under this subtitle shall be on the same basis as is provided for the

Foreign Service of the United States by the Annual and Sick Leave Act of 1941 (5 U. S. C. 2061).

SEC. 504. (a) The reports and dispatches prepared by the officers appointed or assigned under this subtitle shall be made available to the Department of State, and may be made available to other interested agencies of the Government, and the reports, dispatches, and agricultural information produced by officers of the Foreign Service shall be available to the Secretary of Agriculture.

(b) The Secretary of State is authorized and directed upon request of the Secretary of Agriculture to provide office space, equipment, facilities, and such other administrative services as may be required for the personnel affected by this subtitle. The Secretary of Agriculture is authorized and directed to reimburse the Secretary of State for such services, except for rent of space in Government-owned buildings.

SEC. 505. Provisions in annual appropriations acts of the Department of State facilitating the work of the Foreign Service of the United States shall be applicable under rules and regulations prescribed by the Secretary of Agriculture to activities pursuant to this subtitle.

SEC. 506. The Secretary of Agriculture may make rules and regulations necessary to carry out the purposes of this subtitle and may cooperate with any Department or agency of the United States Government, State, Territory, or possession or any organization or person. In any foreign country where custom or practice requires payment in advance for rent or other service, such payment may be authorized by the Secretary of Agriculture.

SEC. 507. (a) For the fiscal year 1955 so much of the Department of State and Department of Agriculture unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available, in connection with the functions covered by this subtitle as the Director of the Bureau of the Budget shall determine shall be transferred to or established in accounts under the control of the Department of Agriculture, and there are hereby authorized to be established such additional accounts as may be necessary for this purpose.

(b) There are hereby authorized to be appropriated to the Department of Agriculture such amounts as may be necessary for the purpose of this subtitle. The Department of Agriculture shall determine the amounts to be requested based on consultations with the Department of State.

(c) Funds appropriated under the authority of section 507 (b), together with such amounts as may be determined under section 507 (a), shall pay the full cost of program activities, administrative service and support costs, and such other expenses as may be required by this subtitle.

(d) Notwithstanding other provisions in this section, the expenses of officers or employees of the Department of State directly engaged in agricultural functions abroad, but not predominantly so engaged, shall continue to be provided from funds made available to the Department of State.

(e) For the fiscal year 1955 funds which become available for the purposes of this subtitle may be expended under the provisions of law, including current appropriation acts, applicable to the Department of State: *Provided*, That the provisions of section 571 (d) of the Foreign Service Act of 1946, as amended, with respect to the source of payment for Foreign Service officers and employees shall not apply to personnel employed under this subtitle.

SEC. 508. Nothing in this subtitle shall be construed to affect personnel employed by or funds available to the Foreign Operations Administration or programs conducted under its authorities.

TITLE VI—AMENDMENTS TO AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

SEC. 601. The Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

(a) Section 8c (6), as amended (7 U. S. C. 608c (6)), is amended—

(1) by deleting the provisions immediately preceding paragraph (A) thereof and inserting in lieu thereof the following:

"(6) In the case of the agricultural commodities and the products thereof, other than milk and its products, specified in subsection (2) orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsec. (7)) no others:"; and

(2) by adding the following new paragraphs at the end thereof:

"(H) Fixing or providing a method for fixing the size, capacity, weight, dimensions, or pack of the container, or containers, which may be used in the packaging, transportation, sale, shipment, or handling of any fresh or dried fruits, vegetables, or tree nuts: *Provided, however*, That no action taken hereunder shall conflict with the Standard Containers Act of 1916 (15 U. S. C. 251-256) and the Standard Containers Act of 1928 (15 U. S. C. 257-2571).

"(I) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such projects to be paid from funds collected pursuant to the marketing order."

(b) Section 8 as amended, is further amended by adding a new section 8e reading as follows:

"8e. Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, avocados, limes, grapefruit, green peppers, Irish potatoes, cucumbers, or eggplants produced in the United States the importation into the United States of any such commodity during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order: *Provided*, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the United States are concurrently in effect, the importation into the United States of any such commodity shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than 3 days. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated hereunder shall be subject to a forfeiture in the amount prescribed in section 8a (5) or, upon conviction, a penalty in the amount prescribed in section 8c (14) of the act, or to both such forfeiture and penalty."

With the following committee amendments:

Page 21, line 14, strike out "306" and insert "307" and renumber the following sections accordingly.

Page 37, line 10, strike out all of line 10 down to and including line 19 on page 40.

The committee amendments were agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 20, after "than" strike out "80" and insert "82½."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to place the dairy farmers and dairy products on the same basis as action taken by the committee yesterday to fix the support price on basic commodities at 82½ percent. The amendment simply changes the language of the committee bill on page 33, line 20, where the words "80 per centum" appear, to read 82½ percent.

Mr. Chairman, this is a fair amendment, giving equality to dairying, which is the largest industry in American agriculture and the largest enterprise in most of the States of the Union. I think all of us want to be fair. I know that in the Committee on Agriculture I tried to get through an amendment to increase the support price from 75 percent to 90 percent, giving the Secretary of Agriculture the authority to reduce the support price 5 percent in any 1 year. I felt that that was gradual reduction. I also felt that the action taken by the Secretary of Agriculture to reduce the support price on April 1 to 75 percent was going too far too fast. The committee after nearly a week of discussion adopted the 80 percent amendment, raising the support price to 80 percent and approving other provisions of the bill which we felt would use up the surpluses in this country and help straighten out the dairy industry in its complicated problems.

The 80 percent amendment adopted by the committee begins on September 1 of this year and terminates on March 31 of next year. In other words, it is in operation for 7 months. But, in view of the action taken yesterday and after talking with my colleagues here, it was felt that the dairy farmers of this country should be on a parity with the other farmers who are under the price-support program now fixed by the committee at 82½ percent.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ALBERT. I want to say to the gentleman that I am going to support his amendment. I should like to ask him if it is not true that in the committee we have in more ways than one changing either acreage, parity formula, or price.

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. ALBERT. And that is what the gentleman is aiming at here?

Mr. AUGUST H. ANDRESEN. That is what I am trying to do. That is a 50 percent cut over what the support price was during the past marketing year.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SMITH of Wisconsin. I want to say that I support the gentleman's amendment, and I want to be associated with him in it.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. EVINS. I want to commend the gentleman for offering this amendment and say that the gentleman is recognized as one of the foremost representatives of the dairy industry in the Nation. The problem that has always been presented to the dairyman is the fact that he has to buy expensive, high-priced feedstuffs which are supported at 90 percent or higher, whereas the dairy industry has been supported at a much lower percentage.

I want to associate myself with the gentleman in his views and shall support his amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman. Let me point this out before I conclude. The dairy farmers of this country number around 4 million farm families in every State in the Union. All they are asking is a fair, square deal.

This amendment, seeking to raise the support price to 82½ percent, will put all branches of agriculture who are under the support program on an identical basis. That is all we are asking for, and I am sure that the House of Representatives, which has always been fair, will go along with that proposition.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KILBURN. I commend the gentleman for offering the amendment and would like to say that I am going to support it.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. LAIRD. I should like to say that I commend the gentleman for offering the amendment. He is the real leader in Congress of the dairy industry and the real spokesman for the dairy farmers, and I am glad to support his amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SCUDDER. I wish to commend the gentleman for offering the amendment. I believe the dairy farmers are entitled to equal protection with that given any other branch of agriculture in our country and shall support the gentleman's amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I will be very glad to yield to the gentleman.

Mr. BYRNES of Wisconsin. I would like to ask the gentleman a question concerning the contemplated operation of the dairy-support program. I think

the Committee is to be congratulated for providing that milk and dairy products can be supported by other operations in addition to loans and purchases. As the gentleman knows, I introduced a bill to accomplish this objective and appeared before the Agriculture Committee in support of it.

We know that the addition of other operations contemplates the possibility of instituting a direct payment or a sell-back plan. Now, at the present time the support of dairy products is limited to the Government purchase of butter, Cheddar cheese, dried milk, and whey. Whey was only recently added to the list of purchased products.

If a direct payment plan is put into operation, the price of these items will, of course, reduce the price of these items to the consumer. What I would like to ask the gentleman from Minnesota, as a member of the committee, is this: Is it understood and contemplated by the committee that in establishing any such payment or sell-back plan, the Department should not limit support only to the dairy products now supported under the purchase program?

I raise this question because of the relationship which exists between cheddar cheese and other types of cheese and also because of the particular problem of whey?

It seems to me that what we are trying to do by this program is to support the price of milk to the farmer. In order to do this, we must recognize that the outlet for milk is not limited to butter, cheddar cheese, and dried milk.

I wonder if the gentleman will elaborate on this problem and what is contemplated by the committee.

Mr. AUGUST H. ANDRESEN. It is exceedingly difficult to specifically answer the questions asked by the gentleman from Wisconsin because I do not know what the Secretary of Agriculture will do in the administration of the provisions of the dairy section of the bill in the event that it is enacted into law.

However, the price-support program authorized in the law of 1949 is continued in this bill, and, in addition to making loans and purchases of dairy products, this bill gives the Secretary of Agriculture additional authority to put into operation any plan to deal with dairy products. This additional authority is contained in the words "and other operations" which has now become a part of this bill.

I am unable to say what the Secretary will do in the administration of the provisions of this bill. The legislation gives him the authority which you have indicated is desirable in your question.

The price-support program as heretofore authorized, and also included in this bill, directs the Secretary of Agriculture to support the price of milk and butterfat and the products thereof through loans, purchases, and other operations.

You have specifically asked what types of cheese come under the support program. At the present time the Secretary is supporting the price of cheese through the purchase and loans on cheddar cheese. He could also make loans on, and purchases of, all other types of

cheese, including Italian cheese, under the same section of the law. The test is if the cheese was made in the United States from American milk. He could purchase and make loans on American swiss cheese, blue cheese, brick cheese, the type known as Italian varieties of cheese, and any other type of cheese produced from milk in this country.

There is no question but what the language of existing law and the bill before the House gives him broad authority to take in all types of cheese produced in this country, in addition to cheddar cheese, under the support program. These are all products of milk. He also has the authority to support the price of milk and milk powder, as well as to continue the support-price program for butter. I might also say that the Secretary has the authority, which he is now exercising, to support the price of whey, which is a product of milk. He is doing so now under the act of 1949, and he can continue to do so under the provisions of this bill. I hope that I have made myself clear to the gentleman from Wisconsin.

Mr. MARSHALL. Mr. Chairman, the Committee on Agriculture is to be commended for its wisdom and foresight in providing for an expanded and accelerated program of brucellosis eradication. It is more important than ever that we wage unrelenting war against this vicious disease. The program authorized in section 324 of the bill before us today will help to do this important job.

It should be recalled that the Secretary of Agriculture eliminated this program in the budget he submitted to the Congress and it was only because of the diligent efforts of the distinguished chairman of our subcommittee on agricultural appropriations [Mr. H. CARL ANDERSEN] and other members of our committee that funds for continuation of the program were included in the bill passed by this House.

We provided an increase of \$200,000 for the payment of indemnities under the tuberculosis and brucellosis eradication programs. Recognizing the seriousness of the threat to the health of the people of the country from these two diseases, the committee felt that at least \$1,000,000 should be set aside to make certain that adequate funds were available for such indemnity payments next year.

In our report, we pointed out that considerable culling of herds would probably result from the lower income received by dairy farmers and that the need for a larger indemnity fund would result.

I am pleased to know that our colleagues on the Committee on Agriculture shared our concern over this growing problem and provided a remedy in this bill. The eradication program has suffered in recent years from the lack of adequate funds to combat this dangerous threat to dairy herds. Indemnities have been reduced from \$50 for purebred dairy cows and \$25 for grade animals, to the present rate of \$18 for purebreds and \$9 for grades.

The provisions of this section will restore indemnity payments at the \$50-\$25 levels and will provide for greatly expanded activity by the various States

with the cooperation and assistance of the Federal Government.

The Committee estimates that 400,000 dairy cows may be eliminated in 1955 and approximately 500,000 in 1956.

The Federal-State eradication program has proved its effectiveness in stamping out this serious disease if carried on at a reasonable level of operation.

I would like to read you a telegram I have received from Dr. Ralph L. West, secretary and executive officer of the Minnesota Livestock Sanitary Board, who has been in the forefront of the fight against brucellosis and whose opinion I regard very highly:

Much interested in H. R. 9680, particularly section 324, subtitled E. Hope you will make every effort to see this bill receive favorable consideration.

Dr. West has been active in this program in our State and knows firsthand the grave need for augmenting it at this time. The same high standards of the present program will be maintained but it will be made available to more farmers and in consequence will better serve both the need of the farmer and the consumer.

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

Mr. MARSHALL. I am pleased to yield to my friend and colleague from Minnesota.

Mr. WIER. I want to join in the remarks of the gentleman from Minnesota in commending the committee for improving the program for brucellosis control.

As the representative of the most heavily populated district in Minnesota, I represent both many consumers and farmers and I know that they are all in support of every effort to rid our dairy herds of this disease. Farmers want to produce a high quality product for their city customers and their customers want and expect to receive the best product possible. We can make no better contribution to both than by helping rid our herds of this threat. We know that it is a source of undulant fever and that the best way to combat this human disease is to help farmers attack animal disease. Milk is the most wholesome and nutritious food the consumer can buy. It is still the best bargain the food dollar can buy. All of us who want to keep it that way ought to support the best brucellosis eradication program possible and I think section 324 of this bill will help to offset the losses we have suffered in recent years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. AUGUST H. ANDERSEN: On page 33, amendment to the Andersen amendment: strike out "82½ percent" and insert "75 percent."

Mr. JAVITS. Mr. Chairman, I am very unhappy about breaking into this scene of sweetness and light in which, apparently, the gentleman from Minnesota has left us, with all of the representatives of the dairy areas agreeing that it is a very fine idea to raise the

price of dairy products including, I emphasize, the price of butter. But I should certainly be derelict to the interests of the people of my community if I did not oppose it vigorously and point out to the House why it should stand exactly as it is today, which is the point of my amendment. I want to emphasize that I am representing in a situation such as this one my district in New York City, and I believe it to be typical in its fundamental interest of city districts generally. It is my duty to protect the interests of those people on this bill. Right now the average price of butter at retail is about 69 cents a pound instead of 79 cents a pound, which it was before April 1st when Secretary Benson first issued the order that the 75 percent of parity standard should apply on butter.

We have heard a lot of arguments here about the fact that you have to have a higher parity price for basics. That has been the big thesis that has been propagated to us by the Committee on Agriculture, a higher parity price for basics. We are not so simple that just because we have a figure of 82½ percent for basics we are going to assume you will use the same figure for these perishable commodities, not when you are literally being flooded by butter, with 425 million pounds of butter in storage.

Here is a letter, a photostat of which I have, from a warehouse in Jersey City. I would just like to read the first paragraph of it. It is apparently addressed to an inquiry from some fellow who wanted to store butter with the warehouse. It says:

We regret to inform you that our available freezer space for butter is just about exhausted. Please be advised that we cannot accept any butter for storage after the close of business Wednesday, June 30, 1954, until further notice.

This butter situation threatens to be as bad as the potato surplus which was a "scandal"—and I do not use that word insidiously. The shambles that potato situation made of the farm program and the interests of the consumer of the United States we know all about in this House. Are we going consciously today to increase this butter surplus designedly by raising the price of butter to the buyers in the retail stores and raise the guarantee to the farmer, when even under 75 percent of parity, which he is getting today, the Commodity Credit Corporation, I am informed, has to take from 3 million to 4 million pounds of butter because it is being produced as surplus every weekday? Are we going to add to that? How unwise can we be just in the guise of saying, "Well, it is 82½ percent for the basics, let us make it 82½ percent for the perishables"? I should think that the people in the dairy areas, though I know very well they have their problems too, would feel that 75 percent is pretty good and they are not badly off if they can stick to that and not try to push this thing for even more than that.

Mr. AUGUST H. ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am glad the gentleman touched on the butter proposition, but I think the consumption of milk in the gentleman's area is probably equally important with butter. Has the gentleman gone into the proposition of the cost of distribution of milk and dairy products in his own district? We are paying milk drivers all the way from \$500 a month to \$15,000 a year. Does the gentleman favor that?

Mr. JAVITS. I do not favor any uneconomic raising of the price for the dairy farmer any more than he favors any uneconomic raising of the price by milk distributors or anybody else, but I point out that you have to start somewhere to put prices on an economic level. Right now we have this dairy proposition before us. If we are going to put the price up ourselves right here today over what it is, we have no chance to go after uneconomic channels of distribution. Otherwise those channels of distribution are trading on a fixed basis which we ourselves have established. You have to start somewhere. The opportunity today is to start here. At least, it is not even to start here, it is to prevent this butter price from being put back up again when the national interest dictates it should be left at a reasonable level and when this was received or accepted well by consumers and most of the other people of the country, except the dairy people directly affected who objected, of course.

Mr. AUGUST H. ANDRESEN. You will not get any cheaper milk up there because your organized labor and your distributors fix up the price.

Mr. JAVITS. My point is you have got to start from some base, and if the base is higher and the base is rigid, it is going to be reflected in the end price to the consumer. Let us not forget, no matter what you say about the cost of distribution and the middleman, the 15-percent drop on April 1 in the support percentage announced by the Secretary of Agriculture was exactly reflected in the retail stores butter prices. That is all I know and that is all my consumers know.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, a point of order. Is the opposition on the other side of the aisle to have any right to oppose this amendment?

The CHAIRMAN. The Chair will recognize members of the committee first, and other Members as rapidly as possible.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I do not seek the floor at this time.

Mr. O'KONSKI. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI as a substitute for the amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 19, strike out "March 31, 1955," and insert "December 31, 1955"; and in line 20, strike out the figures "80 percent" and insert "90 percent."

Mr. O'KONSKI. Mr. Chairman, I am not going to take the entire 5 minutes

because I do not think there is anything that can be said for or against any amendment or for or against any part of the bill that has not already been said. I want at the outset to say I am introducing this amendment not only on behalf of myself, but on behalf of many other Members on the left side of the aisle who want to introduce it, but after they found out I was introducing it they gave me the permission to do so. I am also introducing it in cooperation with my colleague from the Ninth District of Wisconsin [Mr. JOHNSON] on the right side of the aisle, and for other Members on the right side of the aisle who also wanted to introduce this amendment.

I feel this amendment is in keeping with the bill as originally reported to this House. I feel that a grave mistake was made when the reduction was made from 90 percent to 75 percent of parity without any program and without any consultation with the dairy farmers of America, and without any consultation with the House or Senate Committees on Agriculture. I believe that a grave mistake was made and that the adoption of this amendment to the bill will rectify the error which has been made. I was one of those who supported the rigid price-support program and went through the aisle here yesterday. Frankly, I want to tell you it would be easier for me to support a system of high, rigid supports with dairy products at 90 percent of parity than it will be for me to support a system of high, rigid supports with dairy products at only 80 percent, as in this bill. It is difficult for me, coming from the greatest dairy State to go home and explain to the farmers that I voted for 90 percent support for the things like wheat and corn, which my dairy farmers have to buy, and only 80 percent for the dairy farmers. That disparity between the two just cannot be justified. So this amendment, if it is adopted, will put into operation a system of high, rigid supports for dairy products in keeping with the system of high, rigid supports originally reported by this committee.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield.

Mr. JOHNSON of Wisconsin. I believe that it is the intent of the gentleman from Wisconsin [Mr. O'KONSKI] that in case the original provision of the bill carries to support basic commodities at 90 percent of parity then dairy products will be also supported at 90 percent of parity.

I wish to state that yesterday I also was one of those who voted on the tellers' vote to support basic commodities at 90 percent of parity. I cast this vote as a matter of honest conviction that all farm products should be supported at 90 percent of parity. I do not believe that there should be any disparity between agricultural support prices.

I hope that this amendment will be adopted because there is no economic justification for supporting some commodities at 90 percent of parity while dairy farmers who use some of these commodities for feed receive only 80 percent support prices.

I regret to say that some of the Members from dairy areas did not vote as you

and I did yesterday on basics, and this defection has caused disunity among the various Members coming from different agricultural regions. This disunity has worked to the disadvantage of dairy farmers and we have lost support of Members from other agricultural regions because some of our dairying farming Members did not support the basic commodities. These Members helped to widen the wedge that has been driven into the ranks of farm Members from both sides of the House.

Mr. O'KONSKI. I believe so because, as I just stated; it was difficult for the Members from the dairy States to go through the line yesterday on the high, rigid price-support program because of this disparity. It is pretty hard to justify 90 percent of parity for one segment of agriculture and only 80 percent of parity for another segment of agriculture. I hope this amendment will be adopted.

Mrs. PFOST. Mr. Chairman, I rise in wholehearted support of the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI]. Its passage would in some small measure help repay the dairy industry for the 2 months of serious readjustment, of mounting financial losses, and of genuine hardship experienced since the Benson order went into effect on April 1.

I vigorously opposed the Benson order from the day it was announced. I said it was unfair and discriminatory so far as the dairy industry was concerned, and unwise so far as the economy of the country was concerned.

I still think so. Markets are so demoralized that it is hard to know just what is happening, but the last reports from my home county in Idaho indicated gross creamery receipts have dropped considerably and probably will drop some more. In one creamery the daily income has been cut approximately \$3,500. It is estimated that dairymen's income in Boise Valley will fall approximately \$2½ million below last year and \$4 million below 2 years ago on manufactured dairy products alone. It is also estimated that the loss in capital value of dairy cattle in the Boise Valley will be approximately \$5 million for the past 2 years.

The farmers of Boise Valley cannot afford that much and neither can the communities they help support. A drop of that sort will not only be felt in the budgets of the farm families, but it will be reflected in the earnings—or I should say drop in the earnings—of every business in the valley.

One of the main arguments offered by the administration in favor of the drop in dairy price supports was that dairy farmers would produce less milk. That sounds like the thinking of a theoretical farmer to me—not an actual one. What has happened in Idaho, and I am sure it has happened everywhere else—is that the dairy farmer has produced more milk in order to make up for his loss in income. This simply adds to the surplus the Department is trying to find some way to get rid of.

I do not believe the people in the city want to eat cheaply at the expense of the farmer. They know all too well that

farm prosperity is the basis of prosperity for all; that high employment levels depend to a great extent on the amount of money the farmer has to spend on farm equipment, automobiles, clothing, and other manufactured items which furnish jobs to so many working people.

I believe the city people and farm people alike would favor this amendment to bring the dairy price-support level back up to 90 percent of parity.

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

Mr. Chairman, I am going to vote for the amendment of the gentleman from Minnesota. However, I would like for the situation to be made perfectly clear. It is quite noticeable that the Members from the up country dairy belt are very strong for the amendment. It increases their price support. They claim it is giving them equal treatment with the basics. Now do not let us have any misunderstanding on this question. The facts are it gives you special treatment and you all know it.

The treatment that you Members from the Dairy Belt—some of you, not all of you—accorded the producers of cotton, wheat, and corn positively is not in keeping with what you are attempting to accord yourselves. You helped put us on this slip and slide, flex and fleece program with a millstone around our necks. You not only limited our production about which I do not complain but agree with but you went out of your way to go down through the aisle and put us on flexible supports.

You have said that we can plant only so much. You have provided that we can market just so many bushels or so many bales. But oh, no; you have not applied such limitations to yourselves. You are attempting to put yourselves in position to not only get the same price support, but you also want the right to market, without marketing quotas or restrictive production, every pound of milk that Old Bess will give. With that right and a good high support price you are going to milk her to death.

Price supports on unlimited production as against comparable price supports on controlled productions certainly is not equal. The former is preferential and that is what you seek under the guise of seeking equality. You are not fooling anyone.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the Javits amendment.

Let me speak to you about this butter situation in New York. Surely, it is selling at 69 cents today, but the consumption of butter has not greatly increased. The consumption of butter by the housewife has not increased. Why? Because butter has a competitor by the name of oleomargarine, that is selling for about half the price of 69-cent butter.

The answer to the dairy farmers' problem is not to sell more butter but to sell more fluid milk.

I would like to ask my colleague from New York [Mr. JAVITS] if it is not true that today the dairy farmer in New York State is getting far less under 75 percent than he was under 90 percent, and the price of fluid milk today to his housewife

and my housewife is the same, if not higher.

Mr. JAVITS. That may be so at the start, but unless you start from some kind of a lower base of cost of the product you have no possible hope of lowering the ultimate price to the consumer, increasing consumption, reducing the costs of distribution, and increasing thereby the real benefits to the dairy farmer, and that is what really counts, to him.

Mr. ROOSEVELT. The answer to your statement is simply this: We can consume and sell more fluid milk in this country, and that will eliminate the present surplus of dairy products. That is the constructive way to do it, and it will make the dairy farmer prosperous instead of bankrupting him, which your method and some of the other methods will do.

I had intended to offer an amendment along the same lines as the O'Konski amendment. I think the fact is that the dairy farmer should be put on a par with the farmer who produces the other basic crops. We buy a lot of our feed in the northeastern area from the Midwest. Today, New York farmers are penalized. We buy our feed high and sell our products low.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I have listened to the debate with the greatest amount of interest. I was very glad to have the gentleman from New York mention fluid milk and exceedingly glad with several other bits that have been said about what I call the basic product, which is fluid milk.

I happen to represent a city district now, though the 22d District used to have two largely farming counties. I happen to have lived on a farm also. As I am the only woman from Ohio in this House I have always felt that I represent the women of Ohio and the children of Ohio. As their Representative I would like to suggest that it is high time that everyone who has anything to do with the Committee on Agriculture or with the Department of Agriculture found ways by which we could see to it that our children drink at least as much per capita fluid milk as they drank in 1945—our children, our sick, our aged, and our whole Nation. If they were doing so at this time there would be no surplus, we would not have the problem of too much butter and too much cheese. May I suggest that there have been rumors that some pretty rancid butter has come out of those huge storage places.

I would like to suggest that if we have any ingenuity left in our minds and beings, our souls and imaginations, we put some of it to work so that the children at least of this country will have at least the amount of milk they had in 1945. The discussions here today have all been on cheese and butter, on processed products. I want to bespeak the interest and mercy of this House for the children and the women of this country, for the lunch programs, for the hospitals, the homes for the aged. Why cannot we find ways to get proper amounts of milk for our lunch program?

And then I have heard a very disturbing thing, and that is that in our camps

our soldiers are getting only a pint of milk, and if they want cereal they have to use that pint on the cereal. I hope it is not true, because certainly American boys serving in the Army, Navy, and Air Force ought to be able to get plenty of milk.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield.

Mr. AUGUST H. ANDRESEN. I am glad to be able to advise the gentlewoman from Ohio that we have anticipated just what she has said; we have included in the bill funds to provide milk for 23 million school children who are not now receiving milk.

Mrs. FRANCES P. BOLTON. I am glad to hear that.

Mr. AUGUST H. ANDRESEN. We are also providing in this legislation that Government-owned butter, cheese, and other dairy products be supplied without cost to the Army, Navy, Marine Corps, and to the veterans' hospitals.

Mrs. FRANCES P. BOLTON. I am very happy to be so advised and hope it will be put into effect. But that does not strike the fundamental thing. It is not enough to put into the bill that milk shall be free for certain persons and institutions. What are you doing to see about the distribution of milk, to see that it reaches the child as well as the adult that needs it?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield further?

Mrs. FRANCES P. BOLTON. I yield.

Mr. AUGUST H. ANDRESEN. Distribution is a very important problem, one in which we must have the cooperation of the public and from parent-teachers associations, and other organizations, and school authorities to get this milk into the hands of those who need it.

Mrs. FRANCES P. BOLTON. Yes; but I would like to say that if you will just go to the mothers of the country and a lot of intelligent grandmothers, you will find a great deal of cooperation that you least expect.

Mr. AUGUST H. ANDRESEN. I have the greatest admiration for the gentlewoman and her work.

Mrs. FRANCES P. BOLTON. I am giving it to you as a job. And I would like to ask why the 500,000 dairy farmers cannot run their own affairs as is suggested in a bill introduced by the distinguished gentleman from Washington [Mr. WESTLAND]. Possibly the Committee on Agriculture will give this matter consideration.

Mr. ROOSEVELT. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield.

Mr. ROOSEVELT. I wish to congratulate the gentlewoman from Ohio and to make one slight correction: That the men in the Armed Forces today get a glass of milk, or half a pint instead of a pint of fluid milk a day.

Mrs. FRANCES P. BOLTON. I thank the gentleman.

Mr. ROOSEVELT. I intend to offer an amendment which will increase the allowance per man to 1 quart.

Mrs. FRANCES P. BOLTON. My effort is that we try to see that this fluid milk gets where it is most needed.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes, with 5 minutes to be given to the gentleman from North Carolina [Mr. COOLEY].

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, it is with some reluctance that I appear in opposition to this amendment. I hope I may have the attention of Members while I try to explain my position.

Actually, the high support price on the unlimited production of dairy products has brought us to the grief we are now witnessing in connection with our agricultural surpluses. I dare say that but for the butter program we would not have had all of this controversy about the support program on the basics. Just as Mr. Brannan had his headache with potatoes, Mr. Benson is having his headache with butter.

When Mr. Brannan was supporting the price of potatoes at 90 percent of parity he did not fix his goals low enough; consequently a great production was harvested every year, and year after year we lost millions, yes hundreds of millions of dollars, I think actually almost a half billion dollars on potatoes alone. Mr. Benson embarked on this program of 90 percent of parity and he continued it for about 14 long months.

He came into office in January and for some unknown reason he did not darken our committee room doors until July. It took a devastating drought to drive him into our committee room even in July for a brief hearing on drought relief. He did not come and advise with any member of our committee, but he held prices of dairy products at 90 percent of parity. Instead of lowering the price gradually as the President has indicated he would like for prices to be lowered, he dropped the boom all at once, on April 1, on the heads of the dairy farmers of this country. I do not see how you can possibly justify supporting unlimited production of any perishable commodity grown in this country. I have never advocated that and never shall advocate it, and every time any Secretary of Agriculture has ever attempted to do so, we have sustained tremendous and gigantic losses, and we have always brought the program generally into disrepute. Now, I am anxious to do everything I can for the dairy farmer that is consistent with the exercise of good, sound judgment, but certainly it is not good judgment to support a perishable agricultural commodity, potatoes or 1,001 other things, at an uneconomic level.

I want to say this to the gentleman from New York [Mr. JAVITS], I want to compliment him for having sufficient courage to stand up here in the well of this House and put up a fight for Mr.

Benson's program. Actually, as I view the situation, Mr. JAVITS, the gentleman from New York, is the only Republican in this House who stood up for Mr. Benson. Everybody else was compromising and accepting something less than Mr. Benson proposed. Now, that is all right. If the gentleman from New York [Mr. JAVITS] is going to be the leader of the Republican Party and if he is going to carry the burden for agriculture and for Mr. Benson and Mr. Benson's old friend, Bossy—well, that is where the gentleman from New York [Mr. JAVITS] is. He has made his position perfectly clear.

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

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. WIER. With reference to the April 1 cut on dairy products, the 15 percent, is it not true that today in the dairy regions the farmer, with his hopes and ambitions to get equal income under the 15 percent reduction, is increasing his herd to get the same production?

Mr. COOLEY. I think the gentleman is right, and I think we are still taking into storage enormous quantities of butter and dairy products.

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

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. Will not the gentleman agree that Secretary Benson had no choice under the law except to reduce the support level to 75 percent because the law required that by April 1 he establish the support price at a level that would insure an adequate supply?

Mr. COOLEY. I understand the proposition, and I will answer in a clear-cut way. He had discretionary power from the very beginning, from the time he took the oath of office, and up to April 1 and he did not exercise that power.

Mr. JUDD. He had discretionary power prior to that time. It was mandatory thereafter.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

(Mr. WIER asked and was given permission to yield the time allotted him to Mr. JOHNSON of Wisconsin.)

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. First, Mr. Chairman, I want to express my gratitude and the gratitude of the Wisconsin dairy farmers for the great work that has been done by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], a member of the Agriculture Committee, in connection with the provisions of this bill relating to the dairy farmer and the dairy industry.

To speak briefly with respect to the amendments that we have before us, I regret I must differ with my colleague, the gentleman from Wisconsin [Mr. O'KONSKI], in his request that this amendment to support the price at 90 percent be adopted. The dairy industry is only asking for fair play. The dairy industry is not asking for rigid supports.

They are asking for flexible supports but with a graduality, which is what this House voted for yesterday with respect to the so-called basic commodities. It is my hope that the House will support the amendment offered by the gentleman from Minnesota to provide for 82½ percent as the minimum until at least March 31, 1955.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman is not attempting to tell the House that there is no distinction between this particular amendment and what happened yesterday, is he?

Mr. BYRNES of Wisconsin. I think there is a very definite relationship. The question is whether or not the Secretary of Agriculture is to have an area of flexibility within which to work in establishing the level of support, plus the fact that this House has taken the position that in applying flexible supports any reduction in the level of support should be made gradually rather than abruptly. Although a drop in the support level may be necessary we should not permit a drop of 15 percentage points all at one time. That is what happened when the Secretary reduced the support level on dairy products earlier this year from the maximum of 90 percent to the minimum of 75 percent.

When the House yesterday adopted the Harrison amendment it agreed that the basic commodities should be under flexible support but that the level should not be dropped more than 7½ percentage points, that is from 90 percent to 82½ percent, between now and the end of the next crop year. Now that is exactly the position we hope the House will not adopt with respect to the level of support for dairy products.

Mr. ABERNETHY. But your production is not controlled, is it?

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I would not think of intruding upon the House twice, something I have rarely done, but there is one point which needs to be emphasized.

My amendment seeks to leave the situation where it is. May I just repeat that? My amendment leaves the situation where it is. The Andresen amendment, the O'Konski amendment propose to raise the figure. I leave it where it is.

Just one other point. It seems to me very clear that we are talking about a very hot political issue. There is no use kidding ourselves about it. The only way you can enact good legislation in these cases is if people who represent areas with different economic interests will temper the situation of their area, one to the other. I think the most ardent dairyman would not suggest that his representatives should run the Congress of the United States just the way his constituents want it, because they would probably run it into the ground. It would be the same if I attempted to do

that, or if anybody else did from some other particular area.

I say, in this particular situation you have got to have the impact of the people with other economic interests in order to bring sense into this decision.

Therefore my amendment should be agreed to.

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

Mr. JAVITS. I yield.

Mr. COOLEY. Was I correct when I said that the gentleman from New York [Mr. JAVITS] is trying to sustain the action of Secretary Benson who did, in the exercise of his discretion, lower the price or the level to 75 percent of parity?

Mr. JAVITS. The gentleman is correct, I think.

Mr. COOLEY. And these other amendments would, if agreed to, be a repudiation of his orders.

Mr. JAVITS. My point is that I leave it where it is. That is the only point that I am making. I leave the situation where it is.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I have been deeply impressed by the sincerity that has been shown by the House Committee on Agriculture. No committee within my memory has worked harder to come forth with a program for the welfare of the country than this committee. This bill is the result of 10 months of work by the House Committee on Agriculture. The committee began early last September a series of grassroots hearings throughout the country for the purpose of studying the problems of the farmer and getting his viewpoint with respect to agricultural legislation.

During those hearings this committee traveled more than 20,000 miles throughout the United States. It heard more than 2,000 witnesses and visited many farmers on their farms and discussed their problems with them there. I feel that the members of this committee got very close to rural America which enabled this committee to do a better job in preparing a farm bill.

Figures of the Department of Agriculture itself show that the net farm income has declined 13 percent in the past 2 years while other sectors of our economy have achieved new records. This loss of income already has been felt by business in the towns and villages of the 22d District of Illinois that supply the needs of our farm population. Without price supports, surplus removal, and marketing agreement programs, farmers' incomes in 1953 would have been \$3 billion lower or a net income of 25 percent less.

In 1953 the present integrated program, price supports, and surplus removal, and marketing agreements covered 70 percent of the value of all crops produced, and livestock and livestock products in 1953. Between 90 and 95 percent of all farmers producing crops and livestock for marketing were directly or indirectly benefited by existing

price stabilization and market-agreement programs that prevented further impairment of agriculture income.

I wish that I could say that this was the entire picture. But now agriculture is in a crucial position. Farmers now face two additional reductions in income in 1954:

First. Farmers face further reduction of income by their voluntary action, severely limiting acreage of major crops, in order to bring production into balance with consumption.

Second. Unless Congress acts today, the 1949 Agricultural Act will take effect next year, reducing the 90 percent of parity supports of the basic crops to a flexible system of 75 percent to 90 percent of parity.

It is estimated that reduction in first above, alone, will amount to about 5 percent of the farmer's gross income. Such a sudden reduction in prices in addition to 13 percent already suffered, would be dangerous not only to agriculture, but to the whole economy. It is estimated that further reduction in second, above, would be an additional thousand dollars per 100 acres of land for the entire country. The average size of a farm in the 22d District of Illinois is 183 acres. The total reduction of gross income for each average farm in my district by virtue of a reduction to 75 percent would be around \$1,800 of gross income.

For the benefit of my colleagues in the House may I review this again?

First. During the last 2 years, net farm income has declined approximately 13 percent.

Second. By action this year, voluntarily putting into force acreage controls, the farmer has further reduced his income by approximately 5 percent.

Third. By next year, imposing 75 percent of parity—which is what the Secretary has indicated he would do—the average farmer will lose an additional gross income of \$1,800 per farm, in my particular district. Can any one in this House name any other segment of our economy that could afford to take three cuts in income within 36 months and hope to survive as a going concern? Has any one indicated that labor would be willing to take a similar reduction in wages or in standard of living? Can anyone tell me of any business that would be willing to take the same kind of a decrease in either its net or gross income? And may I say that I am certainly not proposing that either one of those would be either deserving or should take that kind of a reduction?

Time and again I have heard upon the floor of this House, and have read in the editorials of metropolitan newspapers that the price-support program on the basic agricultural commodities has been unduly financially burdensome. I would like to comment on that for a few minutes if I may.

We have six basic commodities: wheat, corn, cotton, peanuts, rice, and tobacco. According to information furnished me by the Secretary of Agriculture, Mr. Benson—I am giving you the facts and figures submitted by him to me, and which I am presenting to you. The losses on those six commodities during

the entire operation of the program, over a period of 21 years, have amounted to a net loss of \$21 million, or actually, \$1 million a year.

Now, can anyone give me a good, solid reason to destroy the program on the basic commodities—and they are the commodities which have been supported by 90 percent of parity.

These figures are well known to the Committee on Agriculture, the same testimony was rendered by the Secretary of Agriculture at the time of his testimony before that great committee.

At this time, I am going to pause to allow any Member of this House who would like to, to dispute these figures. If there are any figures to the contrary and if this statement is not true, I would like to have someone comment on it.

There are serious misunderstandings and misconceptions of the farm program. They should be corrected.

Misconception No. 1: That the present program of 90 percent supports on the basic crops is primarily responsible for the accumulation of existing surpluses in those crops. The facts refute this. The present accumulation of food and fiber has occurred in the last 2 years. This was due to the 30 percent drop in farm exports, near record production by a war-expanded agricultural plan. At the onset of the Korean conflict, our Government encouraged expansion of the production of food and fiber. A large part of the surplus went into Government-supported storage, and has been charged against the farm program. The real facts are that the overproduction was brought about by Government policy related to national defense.

Misconception No. 2: That a flexible price-support program at 75 percent to 90 percent of parity would of itself discourage production and help remove the surplus problem.

I have read the hearings before the Committee on Agriculture. Evidence before that committee indicates that all farm production now in ample supply will be maintained or increased in production, as the farmers seek to protect their income in the face of lowering prices. There is no credible evidence I can find that if flexible supports had been in effect since 1952, that our surplus problem would have been any less. The only evidence in those hearings in support of the theory that flexible price supports would reduce production is a statement by the Secretary of Agriculture that some study showed that a 10 percent reduction in the price of a farm product, would mean 2 percent less production of that product in the forthcoming year.

Misconception No. 3: That flexible price supports would result in important price reductions to consumers and a substantial increase in consumption.

That, too, is a fallacy. The farm price of the basic commodities supported at 90 percent of parity is only a small part of the retail cost of consumer production made from them. A drop of 10 to 20 percent in the farm prices of these commodities would reduce consumer prices for their products less than 3 percent. Evidence before the committee indicates that a reduction from 90 percent to 75

percent of parity of wheat would lower the price of a 16-cent loaf of bread by approximately one-sixth of a penny. The farmer gets 2¼ cents for the total amount of wheat in the loaf. The price a farmer gets for wheat would have to be cut from the present price of about \$2 to about 75 cents a bushel to reflect a 1-cent reduction in the cost of a loaf of bread.

Misconception No. 4: That agriculture is subsidized to a greater extent than other segments of our economy and that agriculture is being subsidized in vast amounts by the Federal Government.

The best and latest figures on that subject are found in the Federal budget and I would like to point out that the 1953 Federal budget, under "Special analysis and tables—Investment, operating, and other budget expenditures," lists actual expenses for 1952 for "Aids and special services," as follows:

Total agricultural aids and special services.....	\$463,000,000
Total business aids and special services.....	1,041,000,000
Total labor aids and special services.....	200,000,000

So whatever may be said about subsidies in the Federal budget, it must be admitted that agriculture is not alone in this respect.

I have mentioned these misconceptions because there has never been a time in our history when it was more important for the average citizen—the consumer—to be informed on agricultural policies as today. It is most important that city people understand that the farm problem is their problem, too.

Consumers get more and better food today, with an expenditure of a smaller percentage of their total income, than in any other period in history.

Figures prepared by the Department of Agriculture economists show that in 1914—which is 1 of 3 years cited by the Department of Labor as being a year of the fairest exchange between labor and agriculture—the average factory employee could buy 3½ pounds of bread with an hour's earnings. In 1929 he could buy 6¼ pounds with 1 hour's earnings; in 1953 he could buy 10¼ pounds.

These economists have set up a table for other major foods showing what 1 hour's average factory pay bought in 1914, 1929, and 1953, as follows:

	1914	1929	1953
Round steak.....pounds.....	0.9	1.2	1.9
Pork chops.....do.....	1.0	1.5	2.1
Butter.....do.....	.6	1.0	2.2
Milk.....quarts.....	2.5	3.9	7.5
Eggs.....dozen.....	.6	1.1	2.5
Potatoes.....pounds.....	12.4	17.7	32.6
Oranges.....dozen.....		1.3	3.6
Bacon.....pounds.....	.8	1.3	2.2
Tomatoes.....No. 2 cans.....		4.4	10.0
Cheese.....pounds.....	1.0	1.4	2.9

The largest reduction in the price of food in comparison with wages has occurred during the years of the development of the present program that had as its aim a parity income for agriculture. It is evident, therefore, that consumers have gotten their greatest concessions in prices of food and fiber at

the time of the growth of farm-income stability.

As farm income has declined, the prices of many things that farmers buy are going up. The farmer has found himself in a price squeeze. The individual farmer, in the middle, finds that he has less and less money remaining after paying expenses, as time goes on. For this reason, you saw the farm market narrowing for many products of industry. Tractor output declined around 25 percent in 1952. Tractor sales went down another 10 to 15 percent in the first 3 months of 1953. There was a further decline in late 1953 and early 1954. The prices that farmers pay are firm and headed upward in most cases. A medium-sized tractor still costs around \$1,990, on the average, or about \$120 more than in 1950. A stake truck averages \$2,330, up \$270 from the 1950 price. A tractor plow costs the farmer about 20 percent more than on the eve of the Korean war. Gasoline has gone up to about 28 cents a gallon, where it was 24.5 3 years ago.

These weaknesses in farm prices show the working of supply and demand in the farm markets. Supplies of nearly everything that the farmer produces are huge, while the demand for them is going down. What has been said about the prices in this paragraph can also be said about farm labor, farm supplies, fertilizers, feeds, and seeds.

What is the solution for this squeeze between farm income and the price the farmer pays for what he uses? There is one thing for sure. We must not let farm income drop in 1954. As expenses rise, it is ever more vital to prevent a slump in cash receipts. One of the men in my own county of Champaign, in Illinois, keeps cost accounts with the College of Agriculture at the University of Illinois, in Urbana. The chart which was prepared by him shows that in 1946, his total expenses were 58 percent; in 1948, 71 percent; and in 1951, 76 percent. This means that within a 3-year period, his own take-home percent of his business had declined from 42 percent to 24 percent.

I think this is a good place to refer to the erroneous idea that the farmers, as a class, are all getting rich. In the past, a few, through frugality and good management, have achieved a competence. But the answer to those who think that farmers as a class are unusually prosperous is given by the cold figures compiled by the Bureau of Agricultural Economics. Those figures show that for 1952 the average per capita income of persons living on farms from both agricultural and nonagricultural sources was \$924. This included cash from marketings, Government payments, value of home consumption, and rental value of dwellings. For the same period the per capita income of the nonfarm population was \$1,827 from all sources or practically twice as much.

I happen to have the largest cash grain district in America. We grow, mostly, in that district, corn and soybeans. I have heard much discussion about farm surpluses. Many of these

surpluses are overemphasized and overmagnified. Take, for instance, the situation in corn. It is true that we will have, on October 1, 1954, a carryover of some 900 million bushels. However, may I point out to this House that that constitutes only about a 3 months' domestic supply. The world conditions being what they are today, I would rather have an economy of abundance than an economy of scarcity such as we had when we entered World War II.

The farmer has suffered within the last 24 months 2 drastic reductions in income—1 of 13 percent overall, and another of 5 percent as a result of acreage controls on farm-supported products in 1954. I believe we would be doing the farmer a serious injustice to impose another farm income reduction of approximately \$1,000 per 100 acres of land by the imposition of 75 percent parity support prices. That is the decision which my colleagues in this House have to make today. If you decide to support the program to reduce parity prices in line with the Secretary's recommendation, you will have to justify this decrease in farm income.

The farmer has recovered his confidence from last year. He is again spending in the market, because he has confidence in the future of the present farm program.

I intend to do my best to help him still maintain a fair portion of the national income.

These are my reasons for voting to retain the 90 percent of parity program on basic commodities for another year while we examine the results of acreage controls and the effect of the agricultural surplus trade bill which was passed in this House last week. I have faith that we are going to work out the farm surplus problem in the next 2 years without severely penalizing farm income.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, you are dealing with a food item which has been over the course of history one of the most important food items we have ever had. Take a quart of milk. I think the scientists would tell you that it has about 42 cents worth of food value.

I am supporting the Andresen amendment. I think that is reasonable. I would not take the viewpoint of my good friend from New York [Mr. JAVITS]. If he knew what that drop, from 90 to 75 percent, did in the economy of the people in the dairying business, his viewpoint would change. If that same move were applied to his people I am sure you would hear him at the height of his oratory complaining about it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BENNETT of Michigan. I desire to say that I think the O'Konski amendment is meritorious and represents the proper solution to this problem and I intend to give it my support. If the O'Konski amendment is defeated I shall support the Andresen amendment.

Mr. O'HARA of Minnesota. The O'Konski amendment is meritorious. I am just trying to reconcile the differences of viewpoint and, therefore, I am supporting my great friend from Minnesota, a member of the Committee on Agriculture, Mr. AUGUST H. ANDRESEN. His amendment is fair, and reasonable, and meritorious.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I am in favor of the O'Konski amendment offered as an amendment to the Andresen amendment. This amendment provides for 90 percent of parity for dairy farmers. If that amendment fails, I am for the original amendment offered by the gentleman from Minnesota, [Mr. AUGUST H. ANDRESEN]. I had also planned to introduce an amendment raising the support on dairy products from 80 percent of parity to 90 percent of parity. But when the House yesterday cut basics down from 90 percent of parity to 82½ percent of parity I withdrew my amendment in favor of the gentleman from Wisconsin [Mr. O'Konski]. I then introduced an amendment which would tie dairy products with basic commodities. But as the gentleman from Minnesota, being a member of the Committee on Agriculture, has priority I am offering my amendment as an addition to that of the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the gentleman would read the formula that goes into operation on April 1 of next year, I think he would agree with me that it will do the business so that we can balance supplies and cost of production and distribution and secure the desired support price.

Mr. JOHNSON of Wisconsin. My amendment extends dairy supports to December 31, 1955. Does the gentleman object to that?

Mr. AUGUST H. ANDRESEN. We also have a lot of butter in Pierce county that we cannot get rid of.

Mr. JOHNSON of Wisconsin. Mr. Chairman, the purpose of my amendment is first to change the period for dairy-price supports to conform with the support-price period for all other commodities, and second to set the level of support for milk and other dairy products at not less than 2½ percent of parity of the basic commodities.

The farmers of this Nation have a great many needs, aspirations, and problems in common. All farmers have been in the same boat over the past 50 years—that is to say they have shared the same ups and downs. Going a step further—there really isn't any human difference between farm families who produce milk for sale and those who produce cotton, wheat, hogs, flax, barley, rice, peanuts, potatoes, cantaloupes, fruit, or any other commodities.

It may come as a surprise to most of you to learn that the main difference between milk producers and other farm families is that, year in and year out,

the operators and family workers on dairy farms make lower returns per hour and per family for labor and management than any other group of commercial family farms except cotton producers in the southern Piedmont.

Dairy farmers in Vermont and New York, on the average for the 5 years 1937-41, earned 12 cents per hour.

Wisconsin milk producers did only a little better. Their return was 17 cents per hour.

During the same period, wheat farmers in the Northern Plain States averaged 20 and 30 cents per hour. The hourly income of corn hog farmers ranged from 24 to 44 cents per hour. The hog farmers with the lowest hourly income were the ones who combined hog-dairy enterprises.

By 1952, milk producers were making between 55 and 74 cents per hour in the Central Northeast and Wisconsin areas.

The same year, hog-dairy combinations made \$1.13 per hour. Income per hour of most farmers was higher than the income of dairy farmers that year.

It is not my purpose, in citing these figures, to set the dairy farmer apart from other farmers. On the contrary, I firmly believe that farmers must share concern for each other's income problems. It is only through such concern that full parity for farmers can be achieved. Let me illustrate further, I represent a dairy area but I would not sit idly by and see present price supports on the basic commodities eliminated. By the same token, I believe you may, my colleagues, be aware that the actions of the Department of Agriculture flexible supporters in cutting dairy price supports endangers every commodity.

Do not be led astray by glib examples of how few farmers and few States benefit from price supports.

If mutual concern for our mutual price-support problems prevails in the House today, you will not depart until dairy farmers are assured, as an absolute minimum, of at least 90 percent of parity. Based on the hourly pay figures cited earlier, 90 percent of parity would not provide as much as the minimum hourly wage guaranteed to many non-farm workers under the wage and hour law.

Letters I have received recently from Mr. C. L. Graff, Wheeler, Wis., and Mrs. Richard Hogan, route No. 2, Rice Lake, Wis., give the case for dairy-price supports. These letters are thoughtful expressions of the grassroots thinking and concern.

Mr. Graff writes that a 2-plow tractor cost \$1,710 in 1947, \$2,215 in 1954; a 2-bottom plow, \$190 in 1947, \$280 in 1954; a manure spreader—2 wheel—\$315 in 1947, \$423 in 1954; a tractor mower, \$190 in 1947; \$310 in 1954.

Mr. Graff writes further that the average price received by him this year for grade A milk is down 66 cents per hundred from 1947—down from \$3.81 in 1947 to \$3.15 in 1954. In making calculations from the figures supplied by Mr. Graff, I find that farm-equipment prices have increased from 61 to 77 percent while milk prices have declined 17.3 percent.

Mr. Graff makes a very telling comparison in his letter on the cost of a

tractor and the amount of milk it takes to buy that tractor. According to Mr. Graff, milk in 1952 brought \$4.12 a hundredweight. At this price it took 54,000 pounds of milk to buy a \$2,215 tractor. Today it takes 74,000 pounds of milk to buy the same tractor. I believe that this illustration sums up very well the plight of the Nation's dairy farmers.

Mr. Graff writes further, and I quote:

I think a cross-the-board package plan such as the Farmers Union proposes is the soundest plan presented so far.

Mrs. Hogan writes, and I quote:

Ninety percent will help, but how can anyone expect a farmer to operate his business when he loses 10 to 25 cents on every dollar's worth of business.

* * * after all, 100 percent of parity means only that we receive prices that make our dollars worth as much as everyone else's dollars.

We are the only business that takes its produce to the consumer and says, "What will you pay for it?" Everyone else figures out how much it cost to produce the product and give them a profit and interest on their money and that is what we have to pay.

* * * Now let's take 1942. * * * We received \$2.85 per hundred for our milk, the same as last month.

Here is a comparison of some of the prices we paid then and have to pay now.

All items are the same brand or trade name.

The figures supplied by Mrs. Hogan are as follows:

Egg mash per hundred pound in 1942, \$3.15; in 1954, \$5.50.

Calf feed per hundred pound in 1942, \$3.75; in 1954, \$9.10.

Tractor in 1942, \$1,100; in 1954, \$2,280.

Telephone in 1942, \$1 per month; in 1953, \$4.14.

Men's shoes in 1942, \$3.75; in 1954, \$9.95.

Electric light bill in 1942, \$5.67; in 1954, \$22.

Mrs. Hogan indicates that this increase is due in part to increased use of electricity.

Hybrid seed corn in 1942 (per bushel), \$6.60; in 1954, \$10.50 to \$14.95.

Automobile in 1942, \$1,400; in 1954, \$2,390.

Mrs. Hogan writes further, and I quote:

Since the spring of 1953 our farm has not produced enough cash to meet expenses and give us a modest living (\$2,400 for food, clothing, fuel, and the entire light and phone bill for 7 people.

If we cannot meet expenses milking 26 cows, we will have to milk 36 cows and so will every other dairy farmer have to increase his production in proportion.

Reduced farm income is not just a farm problem. It is a national problem. A national problem just as serious in its implication to consumers as to farmers themselves.

The big questions are: First. How long are family farmers going to be able to stay on their farms? Second. How secure is the Nation's food supply? Third. How can we maintain a full employment economy with a cut in farm purchasing power?

I ask that you support this amendment I have introduced to restore dairy farmers' price to near the level of basic commodities.

A vote for dairy farmers is a vote for all of our citizens—farmers and consumers alike.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, I think there is a very important point that we must recognize in connection with dairy products. I am a dairy farmer. I appreciate very much the opportunity of bringing our product to the tables of the farmer and the consumer.

In 1953 the dairy farmers produced over 121 billion pounds of dairy products and it is anticipated that in 1954 they will produce over 123 billion pounds, all of which means that every effort has been made to increase the production of dairy products and nothing especially has been done to increase their consumption.

What are you going to do when you raise the support to 90 percent and encourage increased production when you have not increased consumption? Do you not see the problem you are facing? The fact of the matter is that since Secretary Benson has reduced it to 75 percent of parity the consumption of butter has increased from 7 to 10 percent each month.

I just received a letter from my farm yesterday saying that the price of milk is up 10 cents. We are not going to be in bad shape as dairy farmers if we can put our products on the table at a price at which the consumer can buy it and use it.

I do not have figures giving an estimate of the additional cost that would be entailed if the 90 percent of parity price were adopted. On the basis of the 80 percent maximum parity which is in the committee bill, the cost of the program would increase approximately \$100 million for a year's operation.

At the same time, on this 80-percent committee recommendation, the Government acquisition of butter would increase by about 100 to 150 million pounds above acquisition at the present 75 percent of parity, which in itself will be frighteningly high.

A proper disposal program could reduce this figure. It is hoped and contemplated that the school children, veterans, men in the Armed Forces and all other possible outlets can be used as an escape valve for the accumulating dairy products.

It has been alarming to those of us who want to increase the sale of butter and milk products to learn that the per capita consumption of oleomargarine now is greater than the per capita consumption of butter. If high support prices maintain high butter prices, legitimate butter consumption will continue to decrease. Does it not seem the greater part of wisdom to have an incentive to build markets for dairy products? In fact, the dairy industry has made great strides in that direction in its advertising program, in new self-service dispensers, and other similar marketing devices. How would the dairy industry strive to build these additional markets if the Government

stands ready to purchase at attractive prices.

The fact of the matter is that the concern should be with two classes of people—the milk producer and the milk consumer. Windfall profits would be most likely to accrue to the trade or to the middleman. It is conceivable that the creameries and cheese plants would hold back their supplies and then offer tremendous stocks at the new attractive prices which would become effective September 1.

In brief, it is hoped that the entire dairy problem can be considered in the Congress, as well as by the industry itself, as a continuing one for the future instead of one merely for immediate gain.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I had hoped in the committee to get as high as 82½ percent or even 85 percent for dairy products for this coming year because I felt that we should not step dairy products down too fast. But, I think we are faced with a practical proposition. If this House proposes to cut the support on the basic commodities which are under controls where the farmers are taking a big cut in acreage and in production, then we certainly should not fix the price of an uncontrolled commodity as high as the support of controlled commodities. Consequently, it seems to me that since you have taken the action, which you took yesterday, and cut the basic commodities down 7½ percent or down to 82½ percent even where there are controls, it would be rather ridiculous and rather strange, and it would be an indefensible position if we were then to attempt to support dairy products without any control at exactly the same figure at which we support the controlled basics. If we put the basics at 90 percent where they ought to be, I will agree we ought to support dairy products at 85 percent. Certainly, dairy products ought not to take such a tremendous cut as the Secretary of Agriculture has invoked. But, I cannot in good conscience say that you are sincerely trying to work out a sound farm program, and then put a price on uncontrolled commodities on exactly the same basis that you put on the price-support level of controlled commodities.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I recognize the criticism made by the gentleman from Texas [Mr. POAGE] has some validity to it as to controlling production of milk from dairy herds in this country. But if the provisions of the bill, which we have presented in the dairy title are properly administered, we will not only control production of milk by reducing the number of milkcows, but we will also have a program which will provide adequate supplies for the American people at reasonable prices. The Secretary of Agriculture has been given blanket authority to initiate any program he desires to

distribute surplus milk and dairy products in this country. We do not administer the laws, and if he does not have the intelligence to work out a program, having full authority to do so, then we had better write specific instructions in the law so that he can go ahead and carry out letter by letter what we have written here. I want to give him the authority. He said he has a program, but he has failed to put it into operation. I urge the adoption of my original amendment to increase the support prices from 80 percent to 82½ percent to give equality to our great dairy industry.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, I wish to associate myself with my colleague [Mr. AUGUST H. ANDRESEN] in the amendment which he is offering here today in behalf of the dairy farmers. Congressman ANDRESEN knows more about the dairy problem than any other Congressman and it is unfortunate that his knowledge is not made use of by the Department of Agriculture.

It is unthinking to me that the man who milks cows 14 times a week should only be entitled to 75 percent or 80 percent of parity. If we continue to discourage initiative in the production of dairy products, our people will, in years to come, suffer because of the lack of that most nutritious of all human foods—milk.

Personally, I feel that we should have at least an 85-percent support on milk and dairy products and 90 percent of our basic feed grains. Inasmuch as the House has decided, against my protestations, to reduce the price support on our basic feeds from 90 percent to 82½ percent, I surely hope that it will give at least equal consideration to the dairy farmers and agree to Mr. ANDRESEN's amendment.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the amendments be read in the order in which they will be voted.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as an amendment to the amendment offered by Mr. AUGUST H. ANDRESEN: Strike out "82½ percent" and insert "75 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 39, noes 102.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the substitute amendment offered

by the gentleman from Wisconsin [Mr. O'Konski] as a substitute for the amendment offered by the gentleman from Minnesota [Mr. August H. Andresen].

The Clerk read as follows:

Amendment offered by Mr. O'Konski as a substitute for the amendment offered by Mr. August H. Andresen: Page 33, line 19, after the word "ending" strike out "March 31, 1955" and insert "December 31, 1955"; and in line 20 strike out "80 percent" and insert "90 percent."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Wisconsin for the amendment offered by the gentleman from Minnesota [Mr. August H. Andresen].

The substitute amendment was rejected.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I offer an amendment to the Andresen amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin as an amendment to the amendment offered by Mr. August H. Andresen: On page 33, line 19, strike out "March 31," and insert "December 31," and amend the amendment by adding at the end of said amendment: "That in the event the parity price of basic commodities is raised above 85 percent, the parity price for milk and butterfat and the products thereof produced shall not be less than 2½ percent of the parity price for the basic commodities."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON] to the amendment offered by the gentleman from Minnesota [Mr. August H. Andresen].

The amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by Mr. August H. Andresen.

The Clerk read as follows:

Amendment offered by Mr. August H. Andresen: On page 33, line 20, after "than" strike out "80" and insert "82½."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. August H. Andresen].

The question was taken; and the Chair being in doubt, on a division, there were—ayes 83, noes 87.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. August H. Andresen and Mr. Hope.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 108.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. HILL: On page 25, strike out all of lines 9 and 10 and line 11 to the period.

Mr. HILL. Mr. Chairman, before I begin a few remarks on my amendment I should like to pay a compliment to the excellent gentleman who is presiding.

He is a former member of the Committee on Agriculture and he got his training over there on the third floor of the New House Office Building. Of course, I hope that gets me a favorable vote or two on my amendment. If it does not, I am going to be disappointed.

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

Mr. HILL. I yield to the gentleman from California.

Mr. PHILLIPS. May I say also that he received a postgraduate course as a member of the Committee on Appropriations.

Mr. HILL. Then he is well qualified to keep you in order, so I will hasten on with my amendment.

Mr. Chairman, this is a simple amendment to section 313, page 25. We just strike out two and a half lines. All we do is to take out the end of this Wool Marketing and Support Act.

The reason we do that is obvious. The intent of the pending amendment and the intent of this bill is to create in the wool industry itself legislation that will provide us with the necessary wool which we might need in case of an emergency. Wool is quite different from most other products.

In looking over a list given to our committee in the hearings, you will discover on page 6 of the committee hearings 8 crops that I shall mention, and wool is the only crop that has changed downward or that has been reduced in the last 10 years. Let me give you the percentages; then you will know why we have been in trouble in the last 10 years. A comparison of the changes in production and the relation of our output to domestic utilization for a number of products clearly indicates what our trouble is.

Let me read to you from pages 6 and 26 of our hearings:

Separate legislation should be enacted for this program. We have separate legislation for sugar. Wool and sugar are the two major agricultural commodities in which the United States is deficient in production. Both face heavy import competition with serious international complications. Legislation and programs for the commodities which are produced in surplus in this country just do not fit such situations as we are confronted with in the case of wool and sugar.

Comparison of the changes in production and the relation of our output to domestic utilization for a number of products clearly indicates the need for treating wool by separate legislation.

Product	Change in production during last 10 years	Percentage production is of domestic disappearance
Corn.....	+7	105
Cotton.....	+34	162
Rice.....	+80	206
Soybeans.....	+72	111
Tobacco.....	+62	147
Wheat.....	+25	169
Wool.....	-42	35
Sugar.....	+13	27

The above percentage changes in production are based on the average production for the 3 years 1951-53, compared with the 3 years 1941-43. The relationship between our production and domestic utilization is figured for the 3 years 1951-53. It will be noted that in the case of wool, our production de-

clined even though we are on an import basis; while for the other products listed, production has increased even though we are on an export basis, except for sugar.

Mr. HILL. Mr. Rizley, as I remember correctly, you were a member of this committee in 1942. Is that correct?

Mr. RIZLEY. Yes, I think that is right; 1942 as I recall.

Mr. HILL. I am not sure who was chairman at that time, but do you recall sitting in this room when two Congressmen from sheep areas had to have a towel to catch their tears because we insisted that the OPA had frozen the price of wool at a lower price than any other product had been frozen? We hit the downward grade on wool. Have you forgotten that testimony and the men who testified—the Congressman from Wyoming and myself? I have not looked up the record, but I just remember what we tried to do for the sheep people in 1942 when they were freezing the price of wool at the lowest price of wool for 20 years in its relation to other products. Have you forgotten that?

Mr. RIZLEY. I am sure my former colleague's memory is more accurate than my own, but I do remember that was substantially right.

Mr. HILL. That was the beginning of the downward trend in the price of wool, as your own table indicates. You will notice it not only was the beginning of the downward trend of wool prices, but the beginning of the breaking up of our great wool-producing activities in the sheep-growing sections of the United States.

Mr. RIZLEY. I think that exhibit speaks for itself.

Mr. HILL. Then you notice another peculiar thing from your table. When you got the price up to a respectable price of 97 cents around 1952, then your sheep population increased and then immediately something happened. Down went the price from 97 to 54. Off went the number of sheep population. What I am trying to bring into this is some little past history which indicates to me that something desperate must be done if we are going to save what is left of the sheep industry, or they are going to be right where the lead and zinc producers are. Is that correct?

Mr. RIZLEY. I will say, Congressman HILL, while I have only been down there a short time, I have had a considerable number of meetings with every segment of the wool industry in this country. What you have said certainly represents their sentiments, that something has to be done; otherwise they are not going to be able to keep the mandate of this Congress to produce the amount of wool that Congress has said is strategic and necessary for our national defense.

Mr. HILL. How will this bill operate in paying the sheep producers? Does he have to wait for a year after he has sold his clip before he will receive his pay?

Mr. RIZLEY. I will let Mr. ImMasche answer that.

Mr. IMMASCHE. Under this program, the Secretary would announce the incentive price probably 8 months before the beginning of the marketing year. He would announce the price in the fall of the year when woolgrowers are shaping up their herds for next year's production. That price would apply for all marketing beginning for the marketing year April 1, until the next April 1.

Now then, after the year is over, if the reported farm price turns out to be less than the incentive price, then payments would be made at that time. So it is conceivable that the grower would have to wait as much as a year. But as long as you have the tariff and the domestic price of wool is

based upon the world price plus the tariff, we do not figure that these payments will amount to any substantial part of his total income. It might be 10, 20, or 30 percent; but he will have to wait as much as a year for that part.

Mr. HILL. The next question. I notice, from casually looking over your tables, that you do not have what has been going on with these section 32 funds. If I remember correctly—and you may put me straight if I am wrong—the tariff on wool has been producing more money than any other or any combination of other imports. Is that correct?

Mr. IMMASCHE. I would have to have the record on that, sir, but I imagine that could be so.

Mr. HILL. Then what has been going with those funds that we have been getting through all these years while the sheep men have been having real difficulties? How has the Agriculture Department spent the money that has been raised by the tariff on wool? Have the wool men not had any benefit of those funds whatever? If they have, I would like to know what it is.

Mr. IMMASCHE. Under the restrictions on the use of section 32 money, none of it has been made available for purposes like this. Some of it has been used, for instance, this last year for the purchase of beef to assist the cattle market during that period when we had heavy marketings of grass cattle. But there are definite limitations as to the way section 32 funds can be used.

Mr. HILL. That brings me to the next question that is wrong, I think, not with this legislation but the legislation to help the wool industry. That is, that the tariff money that has been raised from the importation of wool certainly should have been—a considerable amount of it at least—used to help the wool industry. The late Reed Murphy, who was a grand Congressman and who served for years on this committee, always insisted, in private conversation, that the money that was raised by the wool tariff should have been applied to the industry that raised the money. In other words, the wool people of these United States have been suffering because of imported wool; and yet the money that was raised by the tariff never benefited the wool people to any extent. Now, am I correct in that statement?

Mr. IMMASCHE. Sir, we would be glad to insert in the record what has been collected and what use has been made of section 32 funds. We do not have it here.

Mr. HILL. Will you do that for the record? I am very much interested in working on this from the standpoint of saving the wool and the sheep industry. They go together. We must protect them or one of these days we will be completely out of both lambs and the wool industry, too. Where I live we feed hundreds and hundreds of head of lambs. Our lamb-feeding industry is on the way up. We almost quit this year because of the lack of lambs on the ranges. That is because of the price of wool.

So it is important that we begin to do something for this, shall I say, stricken agricultural industry. So I am glad to know, Mr. Rizley, that you are back up here fighting to help us farmers pay our bills and keep our industry solvent.

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

Mr. HILL. I am through.

Mr. ANDRESEN. I just wanted to add my idea on this table that you are going to submit. Under the use of section 32 funds, will you make that an itemized table showing how each part of the section 32 funds was used and the commodity and the amount for which it was used?

Mr. IMMASCHE. We will be glad to get whatever is available, sir.

Mr. COOLEY. Will that also show from what source the revenue is collected?

Mr. ANDRESEN. Yes; I would like to have that, too.

Mr. HILL. That is correct. I had that in mind.

Mr. IMMASCHE. We may have to contact the Tariff Commission or the Department of the Treasury for that.

The CHAIRMAN. Of course there are a tremendous number of agricultural items. I think it will be satisfactory if you include only the larger items.

Mr. IMMASCHE. I know that we have certain summary information readily available; but if we try to get something else, it is going to take time.

Agricultural Marketing Service—Removal of surplus agricultural commodities—Estimated duties and import taxes collected by tariff schedules

Tariff schedules	Calendar year					
	1948	1949	1950	1951	1952	1953 (through October)
Chemicals, oils, and paints.....	\$14,252,477	\$10,635,456	\$23,132,738	\$25,748,718	\$20,708,726	\$22,531,547
Earths, earthenware, and glassware.....	15,320,506	16,219,703	21,934,881	31,663,266	29,568,624	26,837,947
Metals and manufactures.....	53,421,364	48,512,878	85,474,866	108,144,978	109,905,499	119,410,547
Wood and manufactures.....	4,623,999	4,563,886	8,513,952	9,866,184	10,133,764	11,332,616
Sugar, molasses, and manufactures.....	34,564,761	37,206,085	37,634,849	34,956,558	36,044,381	33,234,165
Tobacco and manufactures.....	23,784,290	23,521,845	19,534,035	20,483,863	16,758,305	14,340,278
Agricultural products and provisions.....	56,729,299	51,913,610	66,673,488	71,360,217	75,080,813	58,625,744
Spirits, woods, and other beverages.....	23,833,587	24,144,815	29,284,373	31,450,304	30,025,363	27,861,359
Cotton manufactures.....	6,224,481	5,376,191	9,741,665	10,874,834	8,981,279	10,169,020
Flax, hemp, jute, and manufactures.....	9,999,966	7,034,962	9,279,437	11,097,617	8,364,289	7,101,418
Wool and manufactures.....	81,409,809	58,039,722	94,293,824	103,170,493	103,622,707	66,719,810
Silk manufactures.....	6,258,108	5,670,351	8,952,893	9,672,478	9,076,695	7,349,873
Manufactures of rayon or other synthetic textiles.....	6,744,300	1,706,081	7,876,673	9,296,063	6,111,580	5,645,896
Pulp, paper, and books.....	3,442,239	2,199,444	2,691,116	3,672,590	3,677,355	3,973,118
Sundries.....	45,419,178	43,373,912	61,370,442	58,832,317	57,134,683	53,253,682
Free list commodities taxable under the Revenue Act of 1932 and subsequent acts.....	18,749,537	24,499,166	35,947,370	50,955,908	44,868,024	26,199,633
Total.....	404,777,901	364,618,107	522,336,602	591,261,388	570,062,087	494,586,653

NOTE.—From Bureau of Customs, Treasury Department, the amount of customs duties is calculated on the basis of reports of the Bureau of the Census showing the quantity and value of merchandise imported. These reports are confined to commercial entries, therefore, total collections are somewhat less than the actual collections reported by collectors of customs.

Production and Marketing Administration—Removal of surplus agricultural commodities (sec. 32)—Expenditures by commodity groups, fiscal years 1936–53

Fiscal year	Cotton	Dairy	Eggs and poultry	Fruits	Grain	Livestock products	Peanuts and products	Tobacco	Tree nuts	Vegetables	Miscellaneous	Total
1936.....	\$4,059,978.	6,836	\$198,604	\$2,439,281	\$5,764,307	.....	\$306,550	\$1,090,213	\$1,289,188	\$1,707,599	\$40,462	\$16,896,182
1937.....	133,829	5,876,612	1,236,766	6,290,222	653,290	\$107,229	.....	1,720,637	1,544,360	1,365,684	1,258,177	15,451,587
1938.....	1,894,431	38,965,906	1,726,868	17,330,045	13,812,962	.....	2,301,818	1,555,838	1,611,723	7,942,674	1,958,852	54,251,221
1939.....	49,472,402	17,884,220	5,570,549	11,851,799	18,236,037	.....	.....	400,897	1,232,127	5,466,358	1,197,604	79,845,708
1940.....	54,008,941	14,855,720	15,489,520	25,557,097	44,302,278	25,826,388	699,353	.....	1,408,633	3,685,463	883,117	185,238,471
1941.....	12,238,044	29,379,618	14,753,283	33,000,818	22,479,059	30,719,343	8,125,877	.....	669,197	24,724,596	8,996,194	212,333,028
1942.....	6,475,499	10,382,973	25,967,967	29,967,124	29,155,316	14,221,175	462,200	1,367,361	1,830,902	35,394,445	3,745,120	182,739,272
1943.....	1,319,636	3,610,624	11,895,850	11,839,079	19,137,498	440,000	1,049,970	1,694,000	679,881	21,898,063	826,453	86,119,266
1944.....	273,764	.....	5,883,402	1,242,780	1,314,938	367,194	.....	2,708,475	.....	6,403,824	239,269	23,090,142
1945.....	18,586,865	.....	3,072,033	3,069,212	4,154,712	.....	.....	.....	.....	3,143,083	19,796	13,732,600
1946.....	34,458,392	.....	.....	.....	3,751,462	.....	.....	.....	.....	7,948,508	.....	30,286,835
1947.....	2,482,582	1,823,100	10,697,769	34,062	.....	.....	.....	.....	.....	26,516,422	.....	71,706,645
1948.....	.....	19,713,194	19,138,591	19,543,631	4,191,686	.....	.....	8,546,500	1,133,820	21,099,758	822,158	73,341,643
1949.....	.....	15,542,796	13,857,261	27,794,183	2,473,426	10,167,023	.....	.....	.....	11,096,628	1,715,950	53,225,610
1950.....	20,157	.....	13,265,626	23,453,264	7,094,364	4,559,192	.....	3,928,890	5,255,334	226,552	690,617	73,530,221
1951.....	289	.....	5,107,626	23,823,198	.....	870,074	.....	.....	.....	11,698	1,867,375	38,325,514
1952.....	.....	4,175,294	3,701,390	13,859,717	.....	13,893,228	.....	3,476,467	.....	.....	3,847,739	52,929,004
1953.....	.....	22,059,056	27,181,441	.....	.....	1,382,188	.....	1,040,000	.....	.....	4,304,585	69,826,987
Total.....	185,667,016	164,954,305	175,229,139	261,234,103	176,521,335	86,966,745	28,548,057	18,083,921	19,845,188	183,886,659	31,913,648	1,332,839,936

Production and Marketing Administration—Removal of surplus agricultural commodities (sec. 32)—Expenditures, by programs and commodities, fiscal years 1936-53

Commodity	Stamp plans	Purchases	Diversion	Exportation	Total	Commodity	Stamp plans	Purchases	Diversion	Exportation	Total
Almonds.....			\$1,713,431		\$1,713,431	Milk.....		\$37,750,688	\$13,246,524	\$112,426	\$51,109,638
Apples (canned, dried and fresh).....	\$10,781,000	\$61,192,983	14,300	\$9,462,460	81,451,743	Oats, rolled.....		3,401,290			3,401,290
Apricots (dried).....		1,155,002		143,663	1,298,665	Olive oil.....		442,616			442,616
Beans (dry, lima and snap).....	12,644,843	12,439,746			25,084,589	Onions.....		2,928,946			2,928,946
Beef.....		1,489,417			1,489,417	Oranges (fruit and juice).....	\$12,924,186	19,581,789	601,405	18,466,397	51,573,777
Beets.....		1,012,940			1,012,940	Peaches.....	2,269,000	7,645,676		102,928	10,017,604
Blackberries.....		134,600			134,600	Peanut butter.....		1,705,665			1,705,665
Butter.....	26,188,453	83,904,601		32,708	110,125,762	Peanuts.....			11,240,103	15,602,289	26,842,392
Cabbage.....		4,712,398	425,752		5,138,150	Pears.....	1,957,000	8,162,055	486,203	1,327,625	11,932,883
Carrots.....		1,247,785	65,710		1,313,495	Peas (canned, dried, and fresh).....		2,270,845			2,270,845
Cauliflower.....		119,880			119,880	Pecans.....		3,330,517		514,843	3,845,360
Celery.....		481,092			481,092	Pineapple.....		52,840			52,840
Chard.....		258			258	Plums.....		506,368			506,368
Cheese.....		3,718,905			3,718,905	Pork products.....	36,079,000	29,755,215		141,620	65,975,835
Cherries.....		2,227,623			2,227,623	Pork and beans.....		2,050,062			2,050,062
Citrus (juice and salad).....		34,062		83,734	117,796	Potatoes, Irish.....	18,316,000	51,250,488	34,569,208	1,881,315	106,017,011
Coffee.....			622,354		622,354	Potatoes, sweet.....		3,746,481	189,514		3,935,995
Corn.....		94,949		758,466	853,415	Prunes (dried and fresh).....	4,129,740	16,453,432	2,470,778	13,497,390	36,551,340
Gormmeal.....	8,623,000	9,498,413		12,625	17,534,038	Raisins.....	1,957,000	9,997,826	1,637,768	19,554,844	33,147,438
Cotton.....	24,017,000	40,490,384	16,529,915	98,629,517	185,667,016	Rice.....	1,396,000	5,191,736		25,200	6,612,936
Cottonseed oil.....		1,705,862			1,705,862	Sauerkraut.....		15,107			15,107
Cranberries.....		1,187,303			1,187,303	Shortening, vegetable.....	99,000				99,000
Dates.....			345,279		345,279	Sorghum, grains.....			26,386	5,998,307	6,024,693
Eggs.....	43,568,415	81,061,999		17,225,567	141,855,981	Soup.....		926,625			926,625
Figs.....		1,388,431	938,245	281,056	2,607,732	Spinach.....		277,040			277,040
Filberts.....		223,602	307,118		530,720	Squash.....		135,886			135,886
Fish.....		1,159,723			1,159,723	Sugar, beet.....		110,951			110,951
Flax fiber.....			189,736		189,736	Sirup.....		361,608			361,608
Flaxseed.....				5,447,985	5,447,985	Tangerines.....		1,081,272			1,081,272
Grapes.....		463,503			463,503	Tobacco.....			9,533,540	8,550,381	18,083,921
Grapefruit (fruit and juice).....	3,483,000	21,401,180		1,199,009	26,083,789	Tomatoes.....		3,807,920			3,807,920
Greens.....		32,313			32,313	Turkeys.....		33,373,158			33,373,158
Hominy grits.....	1,449,000	2,010,406			3,459,406	Turnips.....		7,668			7,668
Honey.....		8,491,593	18,353	2,815,384	11,325,330	Vegetables, miscellaneous.....	30,970,157	5,763			30,975,950
Hops.....			664,839		664,839	Walnuts.....		1,450,124	9,940,518	2,365,035	13,755,677
Kale.....		26,674			26,674	Watermelons.....		599			599
Lard.....	7,024,000	12,290,342			19,314,342	Wheat.....		5,555,941	8,034	16,177,084	21,741,059
Lemons (fruit and juice).....				396,055	396,055	Wheat cereal.....	1,248	4,545,739			4,546,987
Linseed oil.....				388,902	388,902	Wheat flour.....	38,694,422	37,731,300		30,568,753	106,994,475
Loganberries.....		22,117			22,117	Other.....		12,075,811			12,075,811
Meat, miscellaneous.....		177,151			177,151						
						Total.....	285,972,494	669,284,484	105,785,013	271,797,945	1,332,839,936

Let me say that as far as round figures are concerned we only produce about 32 percent of the entire amount of wool consumed in this country.

We have gradually and gradually—and we have the figures here—reduced the production of our flocks of sheep until we are doubtful whether we ever can reach the 300 million pounds as provided in this legislation. If you leave the date in the legislation as presented here and not strike it out, it simply means that you will have two clips. I do not know whether all of you know what a clip is, and I am not going to tell you except that is what the farmer sells off the sheep ranch for one season's clip. In the early part of the summer he turns these sheep out on the ranch, so we have provided in this legislation that it shall contain the protection or direction of the price that the Secretary shall pay for wool for two clips only, and then it disappears and that is the end of it. There is not a bit of use setting up section 32 funds to pay the wool producers of this country their proportion, shall I say, or percentage of these section 32 funds that requires no appropriation without setting it up for a longer period of time, because you cannot do anything about producing sheep for wool clips in even 2 years. It takes time, because you do not get the type of wool I am speaking about except from your ewes, and it takes some time to set up and produce a herd or flock of sheep.

I hope you will pay attention to this amendment. It is not difficult to understand, and I cannot understand how anyone could be against it.

I notice my friend from Texas on his feet. He probably knows more about wool and sheep than I ever could learn, and I yield to the gentleman from Texas.

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

Mr. HILL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. AUCHINCLOSS. Mr. Chairman, in view of my previous statement, I will have to object.

Mr. YOUNG. Mr. Chairman, I rise to support the amendment offered by the gentleman from Colorado to strike the time limitation on the provisions of the agricultural bill relating to wool. It has been pointed out here this afternoon by those who spoke on this subject that the wool industry is in a unique position among the agricultural items here under consideration, and that these unusual conditions make necessary a different legislative approach.

First, I would like to point out to the Members that wool is not one of the surplus crops presenting a problem to the national economy. Indeed, in the last few years we have produced only one-third of domestic requirements. It was felt that in the interest of national security domestic production should be increased to 300 million pounds per year. To accomplish this will require an increase in the number of sheep in this country. The arbitrary limitation pro-

viding for the termination of this program on March 31, 1956, and which the amendment is designed to strike, is an obstacle to the expansion of the number of sheep necessary to produce that amount which is felt essential to national security.

It is my understanding that in the legislation as provided by the Senate there is no termination date. I feel that to accomplish the increased yield which is the purpose of this new approach to wool production the time limitation should be stricken from the bill, and I urge the adoption of this amendment.

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

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

There was no objection.

Mr. ENGLE. Mr. Chairman, I am in hopes that the amendment by the gentleman from Colorado [Mr. HILL] will be adopted. It has the effect of striking the 1-year limitation on the operation of the wool program, and making that program continuous until changed by Congress. The trouble with the 1-year limitation is that it in a very material way destroys the effectiveness of the wool program put in effect in the bill. The purpose of that wool program is to provide an incentive for the production of wool. That cannot be done on a program which is only continued for 1 year and thereafter may lapse or be continued in a different form. Raising of sheep for wool production is not an annual crop. It takes at least 3 years

to get a band of sheep into good wool production. No wool grower could breed and raise a lamb for production of wool in the time limit established in this bill. Moreover, no sensible wool grower would on the basis of a 1-year program make the necessary investment to increase his band with the present limitation in the bill. When he got his money into the band the program next year might be changed and he would be left financially out on the limb. As a consequence, I say again that the time limitation on the program in the bill in effect destroys the purpose of the program itself. Furthermore, it doesn't even represent a fair trial run because the wool growers will not make a trial run on the basis of such a limited program. The situation therefore boils down to the proposition that including this limitation for all practical purposes fatally limits and impairs the wool program which everybody agrees should be put into effect. The members of this distinguished Committee on Agriculture evidently thought so because they put wool in the bill. The President recommended a wool program, but without a time limitation, in his message to Congress on agriculture. Therefore, everybody agrees that it is a necessary program to put into effect. I therefore urge that you support the amendment which would take out the limitation which has the effect of destroying what everybody has clearly indicated is intended to be done.

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

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

Mr. FISHER. I yield to the gentleman from Kansas.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, with the last 3 minutes reserved to the committee.

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

Mr. POAGE. Mr. Chairman, reserving the right to object, may I suggest to my chairman that this is one of the most important amendments, from my standpoint. I certainly would like to have at least 5 minutes to discuss this matter. I think we are just fixing to break down something here.

Mr. HOPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. The gentleman from Texas [Mr. FISHER] has been recognized, and I am assuming that it will be 10 minutes in addition to the time that the gentleman from Texas will have.

The CHAIRMAN. The gentleman from Texas [Mr. FISHER] was recognized and yielded to the gentleman from Kansas, so that his time will not come out of the 10 minutes requested.

Mr. COOLEY. Mr. Chairman, further reserving the right to object, I would like to make an inquiry of the chairman of our committee. Does the chairman intend to speak in opposition to the

pending amendment? If not, I would like to speak.

Mr. HOPE. I intend to speak in opposition.

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

There was no objection.

Mr. FISHER. Mr. Chairman, I do not intend to take all the 5 minutes. In fact, if I could have had the opportunity to ask the gentleman from Colorado a question or two, I do not think I would have asked for any time at all. I do want to comment on this particular issue which has been brought up. First, this deals with the administration's wool program presented to Congress some time ago. It was heard in the Senate and a bill was passed in the Senate, with, I think, 16 dissenting votes.

If the gentleman's amendment which is now before the committee is adopted, you will be in conformity, so far as the time element is concerned, with the bill already passed in the Senate, and which was referred to the Committee on Agriculture.

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

Mr. FISHER. I yield.

Mr. POAGE. If we do that, then we will not be in a position to consider this matter in the conference, is that right?

Mr. FISHER. I think the gentleman is right.

Mr. POAGE. You will then tie the hands of the conferees so, no matter what we do in regard to other commodities in this bill, the conferees will be tied on wool and nothing else.

Mr. FISHER. Tied with respect to the period of time that the program will run. I think this has got to be decided on a question of merit. The matter should be decided on the question of whether it is a meritorious proposition or not, whether this should be a permanent program or a patched-up program from year to year to year. I take the committee's word for it that this is planned as a permanent program. The whole philosophy of it is that it is an incentive program over a period of years. You cannot have an incentive program based on that philosophy, if the matter is to be dealt with from one year to another.

If this is to be a permanent program, then, of course, this amendment should be adopted. If it is not the idea to have it a permanent program, then it should not be adopted. It is just that simple. Here is what the committee said about it on page 22 of the committee report:

The committee hopes and believes that it will provide a relatively permanent solution to our wool problems.

That refers to this program. That is from the committee report.

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

Mr. FISHER. I yield.

Mr. COOLEY. I want to ask the gentleman if he does not think that this is an experiment and that it should be restricted. The gentleman knows that this is the Brannan plan for wool. We are trying to encourage production of wool. It is not limited to 80 percent or

90 percent or 99 percent or 110 percent or 120 percent of parity. That is the fact, is it not?

Mr. FISHER. No, I do not think Secretary Brannan originated this. I have to disagree with the gentleman. I would like to make that clear. Your hearings remove any doubt about it. In 1946 the Special Committee for the Investigation of Production, Transportation, and Marketing of Wool introduced in the Senate a bill which provided for direct payments in a wool-support program, and for the use of tariff revenues in reimbursing the CCC for that cost. An identical measure was introduced in the House by Congressman Granger, of Utah, and it was referred to the Committee on Agriculture.

CLINTON ANDERSON was then Secretary of Agriculture. He signed a report in 1946 approving this method of supporting wool prices through the direct payments by the CCC and the reimbursement of the CCC through the use of wool tariff revenues.

Then, in the Agricultural Act of 1948, according to the hearings, the 80th Congress gave authority for direct payments as an alternative method of supporting prices. This method was rejected for wool by the then Secretary of Agriculture, Mr. Brannan.

Moreover, when the so-called Brannan plan was finally submitted, it included many factors not involved in the wool plan. It called for controlled size of farms, units of production, and gross income limitations. It also called for incentive or directive payments. But that was but one of the factors in the Brannan plan. It is therefore obviously incorrect to refer to this program regarding wool as the Brannan plan. That simply is not the case.

Mr. COOLEY. It was never before the House heretofore, was it?

Mr. FISHER. It was before your committee on agriculture.

I want to point out that I am not here either praising or condemning this program. I am simply saying that if we are going to have this program, which is an administration program, we ought to treat it as a permanent and not as a temporary thing. I am not saying it is a wise program or that it is an unwise program. I am simply saying that a sensible wool program in this country, whatever it is, cannot be very desirable if it is on a piecemeal, year-to-year basis. In the very nature of the industry, it calls for long-range planning. And that is why the pending amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FISHER] has expired.

(Mr. HARRISON of Wyoming and Mr. YOUNG asked and were given permission to yield the time allotted to them to Mr. PHILLIPS.)

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

Mr. PHILLIPS. Mr. Chairman, I thank the gentlemen who have yielded me their time. I am going to try to make this very brief, because to me it is very simple. I ask for an "aye" vote upon this amendment. This is not a

complicated question. It is a very simple question.

This amendment refers not only to the wool supply that we may need, in peace and in war; this is also a question of meat, of lamb chops. You cannot, as some of our friends from the cotton States do, plan the production from year to year in the sheep industry. You must plan well ahead of time. The Senate has sent us a bill without this limitation in it.

It seems to me we should treat it realistically and say, "Here is a commodity which cannot conform to this limitation of time, and realistically we should lift it. There is another reason and it has nothing to do with the commodity itself, that is, wool as opposed to something else, but with the time limit, because wool is a very necessary commodity in American industry. It has had very difficult times and is attempting to pull itself out of those times. It is in effect the innocent bystander in many of the discussions that are being held here on the floor regarding other commodities. If we put in here this arbitrary limitation which was not in the Senate bill, then we have given wool a termination date along with other commodities which are highly controversial, and where wool should not belong. So in the simplest fashion, I ask you as a realistic treatment of an American commodity which supplies us with both wool and food to lift the limitation that was imposed in this bill and make that part of the bill conform to the bill as it came separately from the Senate. I ask for an "aye" vote.

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

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. SCUDDER. I appreciate very much the statement the gentleman has made. I know the wool situation will be taken care of in this amendment and join in the support of the amendment proposed by Mr. HILL, the gentleman from Colorado.

Mr. PHILLIPS. I thank the gentleman.

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

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. HUNTER. I also rise in support of the amendment introduced by the gentleman from Colorado.

Mr. Chairman, limiting the program to the period April 1, 1954, to March 31, 1956, is contrary to the intent of this measure as expressed in section 312 of subtitle D—Wool, which states:

It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately 300 million pounds of shorn wool—

And so forth.

The proposal now being considered is designed to create an incentive for an increase in wool production in the interest of national security. We are now producing only 225 million pounds annually. That is far below our domestic needs in peacetime, let alone wartime requirements.

To increase wool production in this country takes long-time planning and a great deal of capital investment. A lamb, for example, cannot be a substantial wool producer in a year.

Mr. Chairman, in my opinion this limitation mitigates against the very purpose of the measure, namely, to increase wool production in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

(By unanimous consent, Mr. COON was given permission to transfer the time allotted to him to Mr. D'EWART.)

Mr. D'EWART. Mr. Chairman, I rise in support of the Hill amendment because we are here dealing with a critical and strategic material, wool. It was because of the lack of wool in the Germans' uniforms that they lost the Battle of Stalingrad. Here we have a material necessary to our country that has decreased in production from 75 percent of our domestic needs to less than a third at the present time. We propose in this amendment to extend support to the wool industry so that the sheepmen of the country can produce this critical and strategic material.

I think it is important that this amendment be adopted because the time that is provided in the bill will not give the incentive necessary to the industry. It has been recognized by the Congress that we should produce at least 300 million pounds of wool in this country.

That was done by an act of this Congress, and in order to produce that 300 million pounds, we must have a firm, established program. The adoption of this amendment will carry out a previous directive of this Congress. It is exceedingly important that this amendment be adopted so that we can have a strong program which will produce this critical and strategic material.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I am inclined to oppose this amendment. I believe that in view of the fact that the program is an experimental one, it should not become permanent law. The Senate version of the bill makes that provision. This bill should go to conference and in the event that the termination should be postponed, the conferees can agree upon such a later date; but treading a new and uncharted field as this program proposes to do, we should not attempt to freeze what may be a very undesirable program into permanent farm legislation, which is what will happen if this amendment is accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. STRINGFELLOW].

Mr. STRINGFELLOW. Mr. Chairman, the treatment of wool should be on a special basis because of the special situation in which it finds itself. Wool cannot be treated equally with the other commodities because it is not in an equal situation. What are the tangible aspects of the program which the President has offered? President Eisenhower

in recommending the wool program listed them as follows:

1. It will encourage efficient production and marketing coupled with further advantages of avoiding the need for governmental loans, purchases, storing and other regulations and interferences with the market.

2. It will require the minimum of governmental interference both with producers and processors.

3. It will entail a minimum of cost to the taxpayers and consumers and

4. It will align itself compatibly with our overall foreign and international trade policies.

Therefore, I ask for favorable consideration of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

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

Mr. HOFFMAN of Michigan. I yield.

Mr. HILL. Under this bill, as we had it explained to us, Mr. Chairman, the Secretary does not buy a single pound of wool. He can do it, but that is not the intention. He is supposed to use the section 32 funds to bring the total or snail I say the domestic price of wool up to at least parity. That is all—as high as he can bring it—up to a point where the wool producers receive a comparative price per pound as determined by the Secretary.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, this is not a question of whether you are going to give wool the benefit of the Brannan plan or not. The bill provides that, and it is the Brannan plan, regardless of what anybody tells you. Every intelligent person here knows it is. The payments are directly out of the Commodity Credit funds and not out of section 32 funds. They are compensatory funds. I am not objecting to it. I think wool is entitled to consideration, but this certainly is a new and strange and untried program. We are limiting every other commodity here to 1 year. You just voted on dairy products and they were limited to 1 year. The supports on basics are limited to 1 year. We are limiting all the rest to 1 year.

Now, this is the most untried program of them all. Why should we make this thing permanent this year when there is nobody here who knows how it is going to work out.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I agree with the observation just made by the gentleman from Texas [Mr. POAGE]. He and I perhaps are in a better position to vote for this wool provision than any other Members of this House, because it will be recalled that he and I brought out a trial-run bill in 1949, and it contained this very provision. The bill I refer to was for wool, eggs, and potatoes, three commodities on which we had lost large sums of money. We have already lost more than \$90 million on wool. I am willing to have a reasonable trial

run on wool to see what can be accomplished, but we need not delude ourselves, because the Secretary can still support the price of wool at more than 100 percent of parity if he wants to.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the provision which would be deleted from this bill by the amendment offered by the gentleman from Colorado [Mr. HILL] was put into the bill after considerable discussion and consideration by the committee. The wool section of this bill is a new and untried proposal. I think we are justified in asking that we use this period as a trial run and see how it works. I hope it works all right. I am in favor of the proposal as a temporary one until we can see how it operates. It involves the use of payments, which has always been a controversial subject as far as agricultural legislation is concerned. While I have never been one who has contended that we should not use payments on occasion, yet I think they should be used sparingly, and we should be sure that we know what we are doing when we do use them. For that reason I think this amendment should be defeated. This bill will go to conference, and if it is necessary or desirable at that time to increase the time, then of course we can take care of that in the conference.

I urge that the amendment be rejected.

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

Mr. HOPE. I yield to the gentleman from Utah.

Mr. STRINGFELLOW. I would like to ask just how we can offer the wool industry an incentive program on a trial-run basis. You are defeating the very purpose for which you brought out the legislation.

Mr. HOPE. This is in effect for 2 years. We put a similar limitation on the dairy provision, and I see no reason why we should not also apply it to the wool program.

Mr. HAGEN of California. Mr. Chairman, we in the West are painfully aware of the problems which beset the sheep people and the economic chaos which threaten if action is not taken now to stabilize the industry. We are better aware of the situation than Members from other parts of the country because we have observed at close hand the uphill battle which the sheepmen have been waging during the last several years. Many sheepmen right now face financial ruin unless the program recommended in this legislation is instituted with a reasonable assurance it will not be soon terminated.

Yet, despite the fact that wool has been recognized as vital to our defense efforts and despite the fact that the committee has offered elements of a sound program to stabilize the industry, we have in the bill which is before us a provision which would render that program completely ineffective. The sheepmen cannot live with a 1-year limitation on the program. The raising of sheep to produce wool

cannot be done over a 1-year period. By the same token and for the same reason the Government cannot live with such a limitation. The intention of the wool industry in offering the wool program was to stabilize the industry so sheepmen could look to the future and plan the wool production which is needed so desperately for defense.

I cannot conceive of this body deliberately destroying the well-thought-out wool plan by imposing this limitation. That is why, Mr. Chairman, I am urging an aye vote on the amendment to lift the 1-year restriction.

The CHAIRMAN. The time of the gentleman from Kansas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL].

The question was taken; and on a division (demanded by Mr. D'EWART) there were—ayes 39, noes 79.

So the amendment was rejected.

Mr. HOPE. Mr. Chairman, I would like to see if we can arrive at an agreement on time for concluding debate on the bill. I therefore ask unanimous consent that all debate on the bill and all amendments thereto close at 3:20.

Mr. COOLEY. Mr. Chairman, reserving the right to object, would the gentleman move that back to 3 o'clock?

Mr. HOPE. The gentleman from Kansas knows there are a number of amendments at the desk and does not want to crowd this thing too closely. I am just as anxious to get through as is the gentleman from North Carolina.

The CHAIRMAN. The Chair is informed that there are 10 amendments at the desk.

Mr. COOLEY. I have no objection to the 3:20 limit.

The CHAIRMAN. Will the gentleman from Kansas restate his request?

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 3:15; I will move it back 5 minutes.

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

There was no objection.

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

Mr. Chairman, I think, if I might have the attention of the Committee, I will not take the full 5 minutes that are allowed me. I wish to call attention to two things for the attention of my colleagues.

First of all, I want to say that this has been a very difficult bill. I think the House has eventually worked its will. I trust that the product of this effort will meet with the approval not only of the producers but also of the consumers.

I have been a little disturbed the last few days by the evident and apparent break in the ranks between the various segments of agriculture. There has been a tendency for certain segments of our agriculture to complain about the fact that they are dependent for feed grains upon a commodity that is supported or which is the backbone of most of the feed grains or prepared feed, that the users are selling on an unprotected mar-

ket, yet they have to buy the grain at a protected price.

I want to relate a little incident that will illustrate the case. It happens that in the general New England area let me say—and I want to say that a great deal more frequently comes out in informal discussion after the formal hearing than comes out in the formal hearings themselves, and it happened that way in this instance, because finally those folks proclaiming against support on corn unofficially, as we were discussing it afterward, said quite frankly that the price of feed was a factor taken into consideration when the price of their milk was determined under the milk-marketing agreement, and that if the price of corn were cut in half that the lesser cost to the producers would be taken into consideration and would be reflected in the price of the milk product they had to sell. So I think that should clear up this matter.

There is one other factor that I want to mention. We have in here a provision which was stricken by the committee through amendment to provide for a referendum in 1955 for the corn producers. That amendment was stricken because it was felt that since all of the other commodities were being restricted to 1955 that a so-called referendum would give the corn grower an advantage over the others. There was some justice to that, and it was stricken from the bill.

I want to offer three different points to remind you of the differential that pertains to corn as compared with other basics. First, corn has not been a problem crop; second, corn does not get, except to a very limited extent, into commercial channels. It is not a problem from the standpoint of Government loans that these other basic commodities are. And, third, corn has great flexibility in its use.

Because of those factors and because of the fact that since 1938 acreage allotments, not even marketing quotas, have been proclaimed but once, it felt this would give a very excellent opportunity for the farmers themselves to voice their sentiment with regard to whether they wanted acreage control and support price or whether they wanted none. I think the referendum would have been a fair and equitable one. I have certain convictions as to how it would have gone and it might have been a surprise to you. But that is neither here nor there. I think the referendum feature should have been left in the bill and I am hopeful that at some time we will have an opportunity for this great segment of our agriculture to have a referendum on the subject.

The CHAIRMAN. The Chair will state that at the time the agreement to terminate debate at 3:15 was entered into, there were 22 Members on their feet. The Chair understands that no specific agreement was made regarding division of time and unless there is objection the Chair will divide the time equally among the 22 Members.

Is there objection to dividing the time equally among the 22 Members who were on their feet at the time this arrangement was entered into?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, unfortunately I was out of the Chamber eating a little lunch at the time the agreement was made. I have been waiting to get a minute or two, and I ask unanimous consent that my name be included on that list of 22.

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

There was no objection.

Mr. SIMPSON of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIMPSON of Illinois. Mr. Chairman, what about an amendment that has been on the desk for 2 days?

The CHAIRMAN. The gentleman may offer his amendment.

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, will the Chair call the 21 or 22 Members in the order of those who have amendments?

The CHAIRMAN. The Chair will call the names of those having amendments to offer first and others afterward, unless they signify a desire to use the time to debate a pending amendment.

Is there objection to division of the time in the manner the Chair has suggested?

There was no objection.

Mr. MARSHALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARSHALL. Mr. Chairman, has a request been made for Members to extend their remarks in the RECORD?

The CHAIRMAN. I think no such request has yet been made.

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on the pending bill.

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

There was no objection.

Mr. VURSELL. Mr. Chairman, for several years the six basic farm crops have been operating under a price support of 90 percent of parity. These supports were made high and rigid during the war to increase farm production, so that we could help to supply food for the nations of the world, most of which were at war.

We encouraged the farmers to greatly expand their production, and they did it. In the past, I have been a supporter of 90 percent of parity. My last vote 2 years ago was to continue 90 percent of parity, up to and including this 1954 crop year. However, the bountiful crop yields we have had during the past few years coupled with the stopping of the war in Korea have caused our exports to be reduced and due to the fact that England, Germany, Holland, Belgium, Turkey, France, and the other nations have greatly increased their farm production. These increases have reduced our export of farm production abroad.

Now we are faced with surplus crops in which the Government, through the Commodity Credit Corporation, has an investment of about \$6,500,000,000, and

the big crops which are being harvested this year may increase our surpluses to the extent where we may have \$8½ billion of the people's money taken from them in taxes, tied up in hoarding these surpluses.

May I point out that it is costing the United States Government about \$700,000 a day to provide the storage alone.

With the close of the war in Korea, there has been a cutback in industries manufacturing munitions of war of every kind, yet, I am sure this Congress would not take the position that the Government should continue to buy all of the munitions of war that could be produced, just in order to keep men employed and business going at full speed.

I am sure this Congress would not support legislation that would provide that the Government should buy and store all of the excess automobiles that industry could manufacture, in order to keep those businesses prosperous.

These illustrations may be a little overdrawn but they serve as a comparison with reference to the farm problem.

Mr. Chairman, I realize that the general prosperity of the country rests to a considerable extent on a prosperous agriculture. I feel certain that no Member on the floor of this House is more generally interested in the welfare of the farmers than I am, and certainly I would not knowingly vote against the interests of agriculture, because it is so important to the economy of our Nation.

Mr. Chairman, I was born and reared on a farm; have been a member of the Farm Bureau for 40 years; have owned and operated farms most of my life. I doubt if there is a group of citizens in the United States who have worked so hard and so long as have the farmers. I think there is no group of citizens who have made quite so great a contribution to the economy of our country, and to the solid political thinking of our country, in helping to direct the affairs of our Government, as have the farmers of these United States.

I feel sure we all want to do what we think is best in this critical time in the interest of the farmers.

I do believe as the Farm Bureau Federation leaders and the Members generally do, that these tremendous surpluses hanging over the agricultural market are forcing prices down and are doing great damage to the farmers now, and that unless we make a move in this legislation to reverse the surplus trend, they may wreck the future of the farmers and do great damage to them and to the economy of the Nation.

Mr. Chairman, in an effort to get the thinking of the farmers on this legislation, I personally addressed a letter to many farmers in every county in my district asking them whether or not they favored continuing the 90 percent of parity, or whether they favored a 75 to 90 percent flexible program. The replies I received were heavily in favor of adopting the flexible program. That was early in the year. Later on hundreds of farmers have written me urging that I support the 75 to 90 percent of parity.

The best information I can get from farmers in my district would lead me to

believe that they are at least 60 percent for a flexible program as against probably less than 40 percent for continuing 90 percent of parity.

Now the compromise before us is, shall we adopt a flexible program ranging from 82½ percent parity to 90 percent of parity. This, of course, will not meet with the approval of most of the farmers who insist that something must be done to stop the piling up of surpluses who want the 75 to 90 percent flexible program. The temper of this Congress have proven that there is no chance to get enough votes for the 75 to 90 percent program to enact it into law. That is the reason that this compromise has been brought to the floor of the House by Congressman HALLECK, the Republican leader, after having a conference with the President.

Mr. Chairman, we understand now that this program has been approved by the President who believes that a start must be made to reduce farm surpluses and give the law of supply and demand some opportunity to help bring about such a reduction of surpluses.

This amendment sets a reasonable minimum of 82½ percent below which we cannot go in the coming year. I am supporting this amendment because I believe it will be in the best interest of the farmers, in the best interest of our Nation and that a halt must be made now against the continuing mounting surpluses which are doing great damage to the farmers now, and will doubtless do much greater damage to the farmers in the future unless this legislation is passed.

We had a year's supply of wheat hanging over us—we are going to get another year's surplus this year and the crop is bountiful as all farmers know. We cannot store the wheat only in part. We may find that wheat and soy beans will have to be stored in the open on the ground before this harvest is over. We have millions of bushels of wheat stored, much of it in victory ships in the Hudson River now where it has to be turned over every day to keep it from spoiling.

Where do the Members of the House who insist on rigid price supports think we are going to come out? Certainly the problem is serious. It is time to stop, look, listen and it is time for the Members of this House to have the courage to do what they think is best for the farmers and the economy of the Nation.

No one argues that the flexible system is the complete answer to the problem; I wish it were, but it does seem to me that the farmers cannot get hurt seriously if we adopt an 82½ percent to 90 percent flexible program and I am convinced in the long run it will be of great benefit to the farmers. That is why I am supporting this legislation. If I believed it would not benefit the farmers of our Nation I would continue to vote for 90 percent of parity as I have in the past.

Mr. NEAL. Mr. Chairman, had the gallery seats in the House of Representatives been occupied by rank-and-file American dirt farmers during the discussion of the farm bill, no doubt the loudspeakers from the well of the House would have been silenced by outbursts

of chuckles and roars from men who know more about the problems of the farmers than many of us do.

I dare say that few farmers who read this day's proceedings will be much impressed by the sincerity of some of these arguments.

Most farmers are hard-headed realists. They have learned the hard lessons of farming from direct association with its varying and unpredictable problems since childhood. They have learned that working with the soil keeps them closer to their Maker than any other occupation. They believe that success comes from following the slogan: "We trust in God but work like the Devil."

And because they understand practical farming, they become fundamentalists. They prize their independence and glory in their freedom. They evaluate their profits without boasting and accept their losses with an abiding faith that next year's crops will compensate. They constitute the hard-working, self-sacrificing, God-fearing core of our civilization.

Sensible citizens that they are, they realize the impracticability of present farm policies that return them temporary gains on overproduction growing out of wartime demands, and, naturally, they are loath to give up their price guarantees unless and until the general commodity price structure is equalized in terms of farmer income.

They are equally aware that the Nation's economy simply cannot long endure when the consuming public is stripped of its income by buying the products of his farm twice—first with his taxes and second when he purchases it for his table.

He knows that eventually accumulated surpluses, waste and spoilage will completely destroy public sympathy for any kind of support prices for his products.

Being thoroughly human, he cannot be blamed for planting every available acre when assured it will return a profit. But, again, being human, he will not willingly accept total regimentation that places him at the mercy of Government bureaucrats appointed to police his every act.

The farmer is not being fooled by vague promises that increased home consumption and foreign shipments can prevent accumulations of surplus foods as long as high price supports guarantee a profit to tempt further overproduction.

My source of information, the farmer himself, convinces me he prefers price adjustments carefully timed and regulated as a means of preventing unwieldy surpluses to the only alternative, complete Government control, not only of prices but of production as well.

Let us pass this bill as amended to favor flexible farm price supports with confidence that our agriculturalists, the intelligent and independent group of our national economy, will welcome the opportunity to cooperate freely in their endeavor to eliminate this troublesome problem of an ever-increasing accumulation of surpluses.

No nation on earth has responded more readily and more generously to

relieve disaster befalling the people of the farm areas in times past than ours, nor has any group of our citizens shown more competence than the farmers when called upon to meet the needs of emergencies.

The Congress must recognize, however, that the farmers of our country are entitled to and will insist upon protective legislation when circumstances beyond their control threaten to prevent them from receiving their fair share of the Nation's economy.

The American people, aware of the fact that their welfare depends upon the farmers' economic well-being, will never let them down. This bill, establishing flexible price supports, will strengthen the mutual interdependence of both producers and consumers and will halt the uneconomic waste of the resources of the land now going into unusable surplus products.

Mr. HAGEN of California. Mr. Chairman, I would like to comment briefly on this bill and my proposed actions with respect thereto and make some general observations about farm programs.

It is my intention to vote against the Harrison amendment to this bill. At the outset of the discussion of the committee bill we were confronted with a fairly clear-cut issue of flexible versus rigid price supports for a limited number of crops. This issue has now become lost in the fog of politics by the adoption of a compromise which most certainly contains none of the asserted virtues of a flexible program and radically departs from the virtues of a rigid program. I refuse to be taken in by any such compromise and will vote for extension of the present program in this aspect of the support law. Parenthetically, I may say that I have not received a single communication urging my support of this political compromise.

Should the compromise prevail, I still must support the legislation, because it is a hard fact that the bill contains many virtuous features, and time does not exist to secure their enactment in a separate package. The wool program which has been endorsed by our western ranchers is in the bill. A new law with respect to marketing agreements, including features for the protection of our producers of perishables, is contained therein. The dairy farmers are afforded relief from their present situation. There are other examples of a wholesome approach to agricultural problems in this bill.

We witnessed a refreshing action here yesterday, to wit, the support given the farmers' position by the gentleman from New York [Mr. Celler] and other Democratic Congressmen from New York City. Their action was a tribute to their statesmanship and their knowledge of the principles of sound farm economics and sound economics for the Nation.

The farm program which has been constructed over the last 20 years is not a program of relief for farmers. If it is in any sense a relief program it is a relief program for the whole Nation. It is a recognition of the fact that farm depression or prosperity is the key to general depression or prosperity and that steps should be taken to supply the farm-

er with an adequate tool to rationalize his production and selling to eliminate the disadvantage he suffers in a market which has pretty generally become a managed market for all other equally important producers and sellers.

It can be demonstrated that this Government tool has not cost the consumer 1 penny. In fact it has protected him against the huge speculative profits which occur in commodity marketing of products which are either in a state of glut or shortage. A glance at the present price of coffee bears out the validity of this conclusion. The programs of price support have not cost the taxpayer money either. The better distribution of commodity income and the stimulus given to a high level of economic activity on the farm have resulted in a return of taxes to the Federal Government greatly in excess of costs of the program. The contributions of these programs to our war and security effort are obvious to everyone. Another minor example of the benefits of these programs is in order. Educators and parents may be certain that there would be no school-lunch program in the absence of our farm program.

The motives of critics of a program of Federal assistance to farmers in the solution of the problem of maintaining a fair price structure and equating supply to demand are many and varied, sometimes pure but often impure.

There are utter reactionaries who oppose these programs out of a doctrinaire addiction to Piltown economics. There are those who are opposed to any program which they consider to be a social program, that is, to say a governmental program designed to relieve distress. These are the same people who welcome unemployment because it permits them to beat down the wages of people less strategically situate economically than themselves. They deplore mass prosperity because they feel that it weakens their personal bargaining position.

Sadly enough there are farmers who oppose these programs. Some do so sincerely because their vision is concentrated solely on the imperfections of the various programs and they do not see them whole. These persons are sincere and seek to change the programs in the direction of perfection. Their answers may not always be wise but they are soundly motivated.

There are other farmers who have gotten rich under these programs and who now feel big enough to buck the economic cycle alone provided they can get rid of some of their smaller neighbors who they regard as expendable. They have the same attitude as the chainstore proprietor sometimes has toward the corner groceryman. They want to swallow up competition. This attitude is often complicated by the viewpoint that the subsidy or benefit to them is abated by their contributions to their neighbors in the form of taxes. These gentlemen do not really understand the farm program and have long ago ceased to be farmers and become mere speculators or financiers.

We have heard a great deal of talk about consumers and a great effort has been made to pit consumers against

farmers on this issue of price supports. Consumers should be the first to recognize the necessity for a sound farm program. The typical consumer is selling his goods or services or the sweat of his brow and he is in the same economic boat as the farmer. All are prosperous or none are prosperous.

We must recognize that farmers will rationalize their production in some fashion if they are to survive. Why should a Government program which is subject to public scrutiny and limitations in the general public interest be categorized as more evil than some of the programs for creating scarcity or raising cost which obtain by private action? Very often these private programs are protected by statutes which have no element of consideration of the general public interest aside from the interest of assuring the farmer of the maximum return for his product.

In conclusion let me say that I am proud and happy to be a Member of this Congress and to contribute my small part to these programs which are an assurance that we are not embarking upon a farm-led depression which will endanger the prosperity of each of us and our very lives in this time of international tension.

Mr. DORN of South Carolina. Mr. Chairman, personally I have always opposed Government interference in the farm business. Back in the 1930's my father and I both bitterly opposed the Henry Wallace program of telling you what to plant, plowing up cotton, killing pigs and cattle while people were hungry and ragged. However, the Government embarked upon a program of Government control and Government subsidy. This policy was continued through World War II and since in nearly every field of American endeavor. I believe it would be most unfair to the farmer of today whose income is falling drastically not to support the basic commodities; namely, wheat, cotton, peanuts, corn, tobacco, and dairy products.

I take this position because the Government is subsidizing many businesses. It subsidizes the airlines, foreign countries and certain publications such as Time and Life magazines. Many industries in America are protected by the Government. Labor is protected by a minimum wage law and I am in favor of that. The farmer is forced to buy machinery, fertilizer, insecticides, and many other things costing terrific prices because of Government protection of the other segments of our economy. If the farmer in a planned economy such as we have is forced to sell without any protection, many of them would soon go out of business and then the cost of foods to the consumer would really go up.

Falling prices of farm products have not resulted in lower prices to the consumer. For instance, last fall in my district, farmers sold their wheat crop for \$1.50 per bushel. In 1948 they received \$3 per bushel for their wheat. The same week they received \$1.50 per bushel, bread went up 1 penny a loaf. Farmers in my district sold their cattle last fall for 6 or 7 cents per pound and steak was selling up to \$1 per pound. I

sold my cattle last year for 13 cents per pound and have been paying up to \$1.30 per pound for steak in Washington this year. If this trend continues, the little farmer will be forced out of business. If farmers gave their products away, these farm products would still cost the consumers terrific prices.

When World War II started, we had a surplus of 13 million bales of cotton. Today we have a surplus of only 7 million bales. During World War II we used up this surplus and urged our farmers to grow more cotton. We are spending billions of dollars to build up stockpiles of guns, tanks, and other equipment against the possibility of war. In order to protect the consumer and our Armed Forces in case of war, we should build up a great surplus of food and fibers.

In the last 20 years the American people have paid only \$2 per capita per year to support the entire farm program which includes the Extension Service, the Soil Conservation Service, the Forestry Service, the Agricultural Stabilization Service, and the Commodity Credit Corporation. Yet in these last few years, the American citizens have paid \$87 per capita per year to subsidize foreign countries under our foreign aid program.

Mr. Chairman, we do not find Communists conserving our soil. We do not find socialists working on our farms and in our forests. History teaches us that almost every President of the United States was born on a farm and yet every year there is a migration from our farms to our large centers of population. If we are to maintain the political philosophy of our Founding Fathers, we must insure that a large segment of our population remain on our farms. I urge this Congress to accept a farm bill that will protect the interests of our entire Nation.

Mr. ELLIOTT. Mr. Chairman, I want it understood that my vote, representing as it does the more than 30,000 farmers of the Seventh Congressional District of Alabama, will be for extending 90 percent parity price supports for 1 year. I wish that the bill before us provided for a longer extension than 1 year. Next year, it will be my intention to vote for another extension of 90 percent parity price supports on the basic commodities.

I will vote against every amendment which seeks to fix parity price supports on the basic farm commodities at a rate lower than 90 percent. I am against 82½ percent parity price supports. I oppose the Harrison amendment.

In the 21 years that our 90 percent parity price supports on basic commodities have been effective, the Government has lost exactly 21 million dollars through its support of prices on cotton, wheat, corn, peanuts, tobacco, and rice.

This averages losses at 1 million dollars a year. Considering the size of this country, the number of farms, the population of the country, the fact that we have been through two wars, we come to the conclusion that the cost of the support program for basic commodities has been very, very small. As a matter of

fact, the price-support program for basic commodities has averaged costing the American people about 1 cent per person per year.

Our losses in the field of price supports have always been in the field of nonbasic commodities, or, perishables, and in most cases they have not been supported at 90 percent parity prices anyway.

I cannot for the life of me see the point which this Republican administration has in mind when it seeks to take the portion of the price-support program affecting cotton, wheat, corn, peanuts, tobacco, and rice, that is now breaking even, under 90 percent parity supports, and put it under the same parity system that covers perishables where all the losses now occur. For example, if we should lower parity price supports on cotton, it would still break even. The only person who would lose would be the American cotton farmer.

The small cotton farmer of the district that I represent is the most poorly paid worker in America. His hours are long. His work is hard. His return is small. Generally speaking he can barely earn an existence even under 90 percent parity price supports. I am not going to contribute to his economic misery by casting my vote to lower those supports.

The record will show that if we lower parity price supports on basic commodities from 90 percent to 82½ percent, it will be done over the opposition of the vast majority of the Democrats in this House. The Republican majority must take full responsibility for this action.

Mr. FOGARTY. Mr. Chairman, I have given much thought to the question of a proper price-support program for agricultural commodities. As a result, I have come to the conclusion that I can best serve my constituents, the people of the State of Rhode Island, by opposing the committee's recommendation for a continuance of the 90 percent price-support program on basic commodities and by supporting a flexible program for such supports.

We have had a long and interesting experience with a program of rigid controls. I submit that from a cold analysis of its operation it has not produced the beneficial results intended. It has resulted in a piling up of fantastic surpluses which are costing the country more than \$700,000 per day for storage alone. The record reveals that under the 90-percent program, the income to the farmer has declined about 16 points in the past 3 years. At the same time, the retail price of the basic farm commodities has remained fairly stable. It would appear, therefore, that the greatest claim that can be made for the success of its operations is that it has stabilized, and, in fact, greatly increased, the middleman's profit. The consumer has had the burden of higher prices forced on him. The farmer has ended up with a reduced income. Each of these great segments of our economy—who were supposed to be helped by the rigid price-support program—appear to be on the short end of any benefits resulting.

President Eisenhower, in his state of the Union message, remarked:

A farm program promoting stability and prosperity in all elements of our agriculture is urgently needed.

I agree with that statement but would like to place additional emphasis on the word "all." In the State of Rhode Island, dairy farming and poultry raising are two of our most important agricultural industries. Because of the exceedingly high cost of feed, farmers in these lines have been hard pressed to make a decent living. This, I am informed, is directly attributable to the maintenance of a rigid price-control system which has forced the cost of feed to its present level. Obviously, all segments of agriculture are not being adequately considered under the present program. In view of this situation, I intend to support the President's proposal and will vote against the continuance of a 90 percent rigid price control.

Mr. JENSEN. Mr. Chairman, I want to again read into the record today, the remarks I made as to why I support 90 percent of parity for basic farm crops on May 12 last:

Mr. Speaker, my reason for supporting 90 percent of parity for basic storable farm crops—corn, wheat, cotton, tobacco, peanuts, and rice—are as follows:

Because our farmers are entitled to a dollar which will purchase 100 cents' worth of manufactured goods produced by higher and higher labor costs.

Because the proposed flexible price-support formula would within the next 3 years reduce the price of a bushel of corn, for example, at least 30 cents per bushel, and other products in proportion.

Because when the selling price of corn, for example, is reduced, the price of hogs, cattle, sheep, and poultry will in turn shortly be reduced proportionately, because the price of livestock ready for market, like finished manufactured goods, is determined by the cost of the labor and raw products it takes to produce the article. So, whether it be meat, marbles, or mowers, the producer must have cost of production, plus a reasonable profit or he will sooner or later be out of business. Also, let us not forget that the cost of raw products, generally speaking, represents only a small part of the price you pay for the finished manufactured products.

All new wealth springs from the surface of the earth, is mined or pumped out from beneath the surface of the earth, or fished out of the sea; from these sources come all our raw products from which is made everything we Americans eat, wear, and use every minute of our daily lives. And every American must find employment in producing, transporting, processing, manufacturing, marketing, or using the finished product made from raw products. About 90 percent of all our raw products are consumed or made into finished manufactured articles within a year after it is grown, mined, or taken out of the sea; hence, each succeeding year new wealth is produced in the form of raw products and when the number of units and the price per unit is reduced, employment inevitably is reduced; and purchasing power is reduced all along the line; hence, our entire economy suffers, forcing a reduction in our national income, and in turn reduced tax revenue to the respective States and Federal Treasury.

Also let us not forget that the American farmer buys on an average of about twice the amount of manufactured goods that the average American buys year in and year out. In normal times, approximately 70 percent

of our people are employed in production, transporting, processing, manufacturing, and marketing the raw products which spring from the surface of mother earth. Mr. Speaker, so long as over \$90 billion is taken from the pocket of the American people in local, State, and Federal taxes annually, or any amount even close to that figure, we must maintain a high national income or be ready and willing to force every American to suffer the consequences by taking a greater percentage of their income for taxes.

Whether you farm the surface of the earth, or the bowels of the earth, or the sea for seafood, all are farmers so far as producing raw products is concerned. Flexible supports as proposed would surely bring about an annual agriculture farm income loss of not less than \$4 billion, which would in turn force a national income loss of about \$28 billion because our agriculture farm income over any 5-year period pyramids itself approximately seven times into national income. A fact which has never been, and cannot be, successfully disputed.

Who would pay the loss of revenue now collected by the United States Treasury because of the reduced national income of that \$28 billion? Certainly we must not add it to our present Federal deficit of over \$270 billion for our children and their children to pay. It is an agreed fact that the ultimate consumer of goods pays all taxes in the final analysis. Our latest census shows that about 17 percent of our population live on farms, and since our farmers who till the soil purchase and consume about twice the average of other Americans, our farmers will pay approximately 35 percent of the lost revenue. Our wage earners and our retired, elderly folks make up approximately 70 percent of our population, they will pay about 55 percent of the lost revenue, the remaining 12 percent are businessmen, big and small—who must add all taxes to their cost prices, or soon go broke—and professional people of every nature and folks like you and I would pay the balance of about 10 percent to make up the lost revenue. Who among you would like to pay your share of this lost revenue? Or I might ask, who among you could pay your share and still make both ends meet without a terrific hardship on yourself and family?

I have heard some folks talk who seem to be worried because we Americans are blessed with a reserve of food, feed, and fiber, which actually amounts to only about 2 percent of the crops the farmers have produced since Pearl Harbor. Bear in mind we are having a population increase annually of over 2½ million. And also bear in mind that a couple of years of moderate crop failures would wipe out the reserves we now have in storage—then the price of food would go up, up, and up. No, my colleagues, I for one will not worry so long as God will bless us with a plentiful supply of food, feed, and fiber. The day I start worrying is when we suffer a scarcity, and that day will come again. We had better be prepared.

Believe it or not, we Americans are today spending on an average less than 25 percent of our income for food, while the other nations of the world are today spending on an average of 70 percent of their income for food. On my trip around the world last fall with other Congressmen, we saw how deeply grateful and friendly the people of those nations were to whom we had sent food. Also there are many deserving, needy Americans who would be mighty thankful for some of our surplus food supply.

Lose the farm program? Not on your life. Why? Because the majority of the Members of Congress feel exactly as I do, not only those who represent the agriculture districts, but in addition a number of Congressmen who represent city districts, who are now fully aware of the fact that the prosperity and welfare of the people they repre-

sent depends on the prosperity and welfare of he who tills the soil, and they have educated their people to know the truth.

Now, Mr. Speaker, in conclusion I must say that it seems mighty strange to many of us in Congress that so few people worry or seem to give a minute's thought to the tens of billions of dollars' worth of military supplies of every nature which have been stockpiled and stored up since World War II. All of which would be useless without a plentiful supply of food, feed, and fiber to back it up in time of war. Remember, the final victors in every war in recorded history has been the side that God has blessed with the greatest supply of food, feed, and fiber. Pray God that war will not again be our lot, but should it come, let us make doubly sure of victory.

Mr. BRAY. Mr. Chairman, it is obvious that while the United States is the largest agriculture producing country in the world, and that while we are capable of producing and are producing far beyond our own needs, yet we are failing to find markets for our agriculture market abroad. This condition is a strong contributing factor to our present farm problem. This condition exists despite the fact that there are hungry people in the world who need the American food surpluses which are decaying in our graneries and other storage facilities.

We must make a careful study to determine the reason for this failure of American food products to reach those who need them. I believe and want to point out that title V of this act, to wit: marketing and disposal of agricultural commodities, will greatly contribute to the moving of American farm products abroad. The principal purpose of this section is to place our agriculture attachés in foreign embassies under the direction and control of the Agriculture Department rather than under the State Department. I believe that this section is absolutely necessary to the proper functioning of our Government's plan to dispose of American farm surpluses abroad; and I strongly oppose any attempt to strike out this section of the bill.

In the last 3 years our agriculture exports have decreased by almost 50 percent. This situation should arouse us to renewed efforts to find markets for American products, and by so doing help the underfed in the world and also help American farmers, which in turn would help our entire American economy. Do you know that in the year 1953 the United States imported approximately \$3 billion worth of agriculture products and exported approximately \$2 billion worth of agriculture products? It is difficult to imagine the largest agriculture producer in the world importing \$1 billion more agricultural products than it exports.

I do not desire to be critical of our State Department, but it is a fact that at the present time, and also under previous administrations, it has not properly protected the interests of the American farmer. Perhaps that is not the function of the State Department; but I do insist that it is the job of the agriculture attachés, along with their other duties, to look to the interests of American agriculture.

I could cite numerous instances of this failure, but I will take time to point out

only one typical situation. In order to assist the economy of Denmark the United States is buying and shipping millions of pounds of butter from Denmark halfway around the world, for the use of American troops in Japan, Korea, and Okinawa. At the same time we are allowing American butter to spoil. We must see that such foolishness is stopped.

There are several reasons for the failure of the American agricultural products to reach the foreign countries which need them. We all realize that one reason for our failure to find adequate markets abroad is that many countries which need our products do not have the dollars to make the purchases because of an unfavorable balance of trade. An attempt to remedy this situation was made in the Mutual Security Act of 1953 which attempted to facilitate the movement of American farm products abroad to countries which, because of an unfavorable balance of trade, could not obtain sufficient American dollars. For reasons that are difficult to understand this act accomplished little and practically no agricultural products were shipped abroad under this authorization.

While not a member of the House Agriculture Committee, I have been interested and quite active in attempting to find an outlet for American farm products abroad. I have worked with members of the Agriculture Committee and others acquainted with the problems involved in the exports of agricultural products to devise methods and procedures to facilitate the movement of American agricultural products abroad to countries which need them.

We were successful a few days ago in enacting the agriculture surplus export program which provides, along with other provisions, a method of selling a billion dollars worth of surplus American farm products abroad in exchange for moneys of the country buying the product. This is a fine law which will be greatly beneficial to American farm prosperity. It will be humane in that it will move the surplus food products where they are needed. Our Government in turn can use these foreign moneys for projects we have in that country or to buy their products which we need.

But no law can be better than the manner in which it is administered. Unless the agency or bureau which has jurisdiction over this program is seriously interested in successfully carrying it out, it will amount to little. That is the reason title V of this bill, which places agriculture attachés under the Department of Agriculture rather than the State Department, is so important. We must not allow this section to be scuttled.

It is difficult to understand why the agriculture attachés have been under the State Department and not under the Agriculture Department. I do not like to make unkind remarks with reference to the way our agriculture attachés, under the jurisdiction of the State Department, are functioning, but it is a fact that they have failed to find markets for our American agriculture products abroad. They apparently believe their job is to bolster the economies of

foreign countries, and they have repeatedly found markets for foreign agriculture products in other foreign countries instead of attempting to sell our American farm products abroad. I could cite numerous instances of this failure, but I will take time to point out only one typical situation. In order to assist the economy of Denmark, the United States is buying and shipping millions of pounds of butter from Denmark halfway around the world, for the use of American troops in Japan, Korea, and Okinawa. At the same time we are allowing American butter to spoil. We must see that such foolishness is stopped. I also am interested in establishing a strong farm economy in foreign countries, but it is my sincere belief that our agriculture attachés in foreign countries should adequately represent America and should keep in mind the importance of establishing a sound farm economy at home by acquiring markets abroad for our surplus products. By doing so, our entire economy of America will be greatly affected. The farmer is the largest buyer of products of industrial America. Through the years farm income in America has been one-seventh of the national income. To help farm income is to help all America.

I think we owe a vote of thanks to the gentleman from Mississippi [Mr. WHITTEN], who has for so long attempted to have the agriculture attachés taken from under the jurisdiction of our State Department and placed under the jurisdiction of the Agricultural Department where they belong. As you recall, in the agricultural appropriations bill the gentleman from Mississippi [Mr. WHITTEN] attempted to add an amendment to accomplish this objective. I supported him at the time, but this body apparently felt that the appropriations bill was not the proper vehicle to use to accomplish this change.

I believe that we now have a sound method of getting American farm products on the markets of the world where they are needed. Let us insist that the program be fully utilized.

Mr. VORYS. Mr. Chairman, I am going along on this bill because I understand that, with the adoption of the Harrison amendment, it will be acceptable to President Eisenhower and the administration. I would have preferred flexible supports of 75 percent to 90 percent, as requested by the President, but in the situation prevailing in the House, the choice is between the Harrison amendment and rigid 90 percent supports. I shall therefore vote for this amendment on a roll call.

I do not profess to be an expert on agriculture, and therefore do not understand fully all of the complex provisions of this elaborate bill, and must therefore take much of it on faith, but I hope the rest of it will work better for the farmer and the public than some of the provisions I think I understand.

I think the 2-price system for wheat will either not move surplus wheat into export, or will result in retaliatory measures such as we might use under our own antidumping laws, if imports were dumped into the United States under a 2-price system.

I fear that the provision for Agricultural attachés will not work. The proposal is an organizational monstrosity. For instance, the Secretary of State is "directed" to provide office space, typewriters etc. for clerical help the Secretary of Agriculture decides to send to our Embassies abroad. Both the Departments of State and Agriculture may request appropriations for this purpose, but none of this is to interfere with the Foreign Operations Administration. Thus we are going to have at least four different sets of personnel in practically every foreign country; State Department, Agriculture, Foreign Operations Administration and United States Information Service. Theoretically they will be receiving foreign policy directives from the State Department. Since policies, however, are not things written on a piece of paper, but courses of action, we may have 4 different courses of action, 4 foreign policies, operating in a single country. During World War II, when we had at times as many as eight different agencies operating in a single foreign country, the result usually was that the agency with the most money to hand out was the most influential. I doubt whether the new kind of agricultural attaché will succeed in moving additional surpluses in the way the Agriculture Committee hopes, particularly if he is joined soon by a quasi-independent commercial attaché from the Department of Commerce, as is now being proposed. These five agencies, plus military attachés and military advisory groups, will make a big happy family of United States Government officials in each country; certainly big, perhaps not so happy. Perhaps someday we may learn that, while the division of powers here at home into 3 branches is vital to our liberty and welfare, the division of our executive powers into 4 or 5 branches in a foreign country is not the way to operate, to move agricultural surpluses or to do anything else.

Mr. WOLVERTON. Mr. Speaker, for a long time the Government has been required to buy great quantities of wheat, corn, cotton, peanuts, and rice to support the price of these commodities to the producer. This has resulted in certain conditions that have resulted adversely to the consumer and the Government. For instance there is today in storage quantities of wheat, corn, cotton, dairy products and tobacco to the value of over \$6 billion. This vast expenditure by the Government for the purchase of the commodities I have enumerated, is not the only expenditure that has been necessary to maintain the price of these commodities, but, in addition thereto is the cost of storage that amounts to \$700,000 per day. All of this results not only in increased taxes to our people but also increases the cost of living to them.

President Eisenhower, while not unfriendly to the necessity of the farmer having a fair return for his products, yet, is of the opinion that the rigid controls that require the maintenance of price for the favored farm products, under the law as it has been for several years, is neither right or just to all the

farmers of the Nation nor to any of the consumers. The law as it is selects only a few crops, such as I have mentioned, and helps only the farmers who produce them. The farmers who are interested in diversified crops such as we have in New Jersey are not helped by the present farm program, nor, the one now under review by the pending legislation before us.

Instead of this unfair system of farm aid the President, through his Secretary of Agriculture has submitted a more flexible plan in place of the rigid plan now in force. It is a well-considered plan. It is entitled to the support of Congress. It does no injustice to the producers of the so-called basic crops and does do justice to the consumers.

It is time something is done to reduce the cost of living. While this bill in itself will not accomplish this purpose, yet, it is one of the steps that must be taken if the consumer is to obtain any degree of relief, and other farmers not within the present farm program, and, citizens generally are not to be required to sustain such an unfair system by paying increased taxes.

On last Monday morning, June 28, 1954, the Philadelphia Inquirer, in an editorial entitled "Congress' Duty: End Farm Price Gouge," has clearly, logically, and forcefully set forth in detail the reasons that justify the adoption of the President's program instead of that reported by the Agriculture Committee of the House. Therefore, I include a copy of the editorial as part of my remarks. It reads as follows:

CONGRESS' DUTY: END FARM PRICE GOUGE

The sound, constructive effort of the Eisenhower administration to free the Nation from the costly and wasteful burden of high rigid farm price supports will come to a head in the House of Representatives this week, and shortly afterward in the Senate.

In both bodies the Committees on Agriculture have ignored the President's proposal and voted to recommend another year's extension of the rigid support system, binding the Government to buy wheat, corn, cotton, peanuts, and rice at 90 percent of parity.

They voted, in effect, to continue high food prices for American dinner tables, high costs for taxpayers. They voted to encourage indefensible overproduction and the piling up of huge, and useless, surpluses.

These committee actions represent the stubborn determination of the farm bloc to maintain the glaring evils of the rigid support system. Their recommendations reflect a hard-boiled political attempt to deal with a problem that is of vital concern to all Americans, including farmers.

In the House both Republicans and Democrats who have the interests of the country at heart should set aside the committee proposal and put through the administration program for flexible supports to vary, as needs prescribe, between 75 and 90 percent. When the time comes, the Senate should follow suit.

The committee actions have been interpreted as snubs to the President and to Secretary of Agriculture Ezra Taft Benson.

They were snubs for all the people of this country who have to buy food and clothing and pay taxes. And the time is overdue for their interests to have full consideration in Congress.

Does the Eisenhower farm program aim to wipe out reasonable aid for American farmers? Not a bit of it. Under flexible supports basic farm commodities will continue to be bought by the Government. The supports would move up to encourage production dur-

ing times of low farm output and move down to discourage plantings in times of excess production.

There's the essential and important feature of this plan. It will hold down needless overproduction, which high rigid supports foster. So long as those high supports prevail, overproduction is inevitable.

We have got to get rid of the immense surpluses we already have. And that's almost a superhuman task. We have got to halt the sinful loss and waste, such as we've seen in stored butter. And we've got to have farm aid geared, to some extent at least, with the idea of giving housewives a better break on prices than is possible under the current high-support plan.

The President's farm policy deserves the support of Members of Congress of both parties. It is a sincere attempt to solve a gigantic problem in which Secretary Benson, notably, has gained stature by his sturdy courage in seeking to further a farm program that would serve the interests of all the people. He has stood out against threats, bullying, cajolery—all sorts of pressures—and bravely but with good humor has held firmly to what he believes in.

For far too long the farm program has operated to the disadvantage of millions of consumers. It has meant the shocking paradox of enormous accumulations of food and fiber along with unyielding high prices.

Solution of that must be removed from the crude political arena in which it has not often been left. Republicans should support the President unless there are grave reasons for disagreeing with him. And in this case there are none. Democrats in Congress should stand by Mr. Eisenhower and his farm program because it is a wise program, in the best interest of the Nation.

We hope that in both House and Senate that interest—the real interest of America—will prevail and that the shameful waste and inequity of Government-rigged high prices will become a thing of the past.

Another editorial on the same subject that is forceful and conclusive appeared in the Evening Bulletin, of Philadelphia, Pa., issue of June 28, 1954. It is entitled "A Consumer Defeat." It reads as follows:

A CONSUMER DEFEAT

By the very comfortable margin of 26 to 2 the House Agriculture Committee has approved a measure which would continue rigid high-support prices for basic crops for 1 year. There is nothing original in this action. Twice before lower and flexible supports were slated by law to go into effect. Both times Congress relented and allowed high supports to continue when the time came to end them.

A promise to end them in the future costs Congressmen no votes and does consumers no good. To fulfill the promise in an election year might do considerable political damage in areas where the farm bloc is strong.

That not all farmers want this expensive and wasteful policy continued can be seen from the two votes cast against the present bill. They came from Congressman KARL C. KING, a Republican, and a commercial vegetable grower in Bucks County, and from Congressman PAUL B. DAGUE, Republican, who represents the rich farm area of Lancaster County. These Pennsylvania Congressmen bespoke the feelings of many eastern farmers.

The House committee took this action in defiance of the President's request at a time when bumper crops threaten to overwhelm the storage facilities of the Nation. Wheat has already done so and favorable conditions for an exceptional corn crop in the Middle West may well provoke a similar situation.

Yet despite all this plenty, food prices took a sharp jump upward in the most recent report of the Bureau of Labor Statistics.

Fortunately the action of the House committee is not final. The House itself must vote and then the Senate. The President is expected to exert pressure in support of his sane program. He has a big stick in his veto power because if he kills this extension of high-price supports they will automatically end in accordance with the law now in force. There is still a chance the consumer will get a break.

Realizing the substantial and worthwhile reasons that justify the adoption of President Eisenhower's program, it is my intention to vote for the adoption of his plan as an amendment to the bill now before the House. I hope and expect it will be adopted as it would be beneficial to all of our people.

Mr. LESINSKI. Mr. Chairman, in preparing to vote on the farm bill, the House has been under strong pressure from the administration to reduce substantially the level at which the Government will support farm prices. It is the position of this administration that the program which has been in effect since World War II to assure a fair return to the farmer and to maintain the farmer's purchasing power and standard of living is costing us too much money and that we should therefore reduce these benefits.

This may sound good in some of our urban communities where the people are being told that lower support prices for the farmer will mean lower food prices in the stores, and perhaps lower taxes. Neither of these things is necessarily true.

As a matter of fact, farm prices have been falling steadily at the farm level ever since this administration took office. Farm income has followed suit. Farmers are getting, on the average, about 10 percent less purchasing power from the crops they sell than they did all through 1952 or for any year since the war. At the same time, food prices to the consumer are at or near record levels and have not followed farm prices downward. In other words, when prices go up at the farm level they also go up in the grocery store, but when they go down at the farm level—and they have been down substantially ever since the end of 1952—they do not come down in the grocery stores. High food prices are not the farmer's fault. He is not getting them. He is getting mighty little for the crops he raises in comparison to the prices he has to pay for the things he buys and that is why the thing we call the parity ratio—that is, the relationship between what the farmer gets for his crops and his cost of operation and cost of living—is at only about 91 percent. It went below 100 percent right after the Republicans came into power and it has steadily fallen ever since so that all through 1953 and so far in 1954 it has been down around 91 or 92 percent. If we lower farm supports and reduce the degree of protection we give the farmer against bankruptcy prices, the evidence shows that it will hurt the farmer terribly without necessarily helping the consumer at all.

KEEPING THE FACTS COVERED UP ON PRICE SPREADS

Here we have voted down a proposal from those of us on the Democratic side to incorporate in this bill provision for

an investigation of the spread—the steadily increasing spread—between farm prices and consumer prices on such things as milk, and so on. Apparently the Republicans do not want the public to know where these extra profits go.

Now, why should I, Mr. Chairman, representing an urban district and not a farm district, stick my neck out by voting for higher support prices for the farmer than this administration recommends? Of course, I recognize that attempts will be made in my district to use this vote in an attempt to prove that I am against the consumer, which anyone in my district who knows anything about my record would certainly recognize as being ridiculous. On the other hand, it is supposed to be smart politics not to stick your neck out at any time, and particularly on an issue which is not familiar to the people in your own district.

In my case, however, I think the people of my district want me to vote for those things which I think will best serve them and their economic welfare. And just from looking at the record of automobile and truck and tractor production and sales, it is obvious to me that I would be very poorly serving my district—the greatest automotive center of the world—if I were to vote here for a further decline in farm income.

The record shows, Mr. Chairman, that since early in 1953 car and truck production has followed downward pretty much directly in line with the downward trend of farm prices and the parity ratio.

Everyone in the Detroit-Wayne County area knows, Mr. Chairman, that the farmers are among our best customers. While we would all like to see lower food prices in the grocery stores—and, I repeat, there is no evidence that lower price supports for the farmer as provided in this bill will mean lower food prices in the grocery stores—we do not want to see the farmer pushed to the wall and driven out of the market for the things that we produce in our automobile and truck and tractor factories. I am alarmed at the extent of unemployment in our area now. I am fearful that a further reduction in farm income will mean more unemployment in Wayne County. I cannot vote for a measure deliberately intended to reduce the farmer's return for his crops at a time when the farmer is already in a desperate squeeze.

Therefore, I have no choice in representing the interests of my constituents and their economic welfare and their jobs and their incomes but to support the recommendations of the overwhelming majority of both the Republicans and the Democrats on the House Committee on Agriculture. The members of that committee are close to the problems of the farmer and aware of the farmer's needs. When they tell me that the farm economy is jeopardized and that a reduction in price supports will further depress farm income, I will follow their recommendation on this bill.

Mr. DORN of South Carolina. Mr. Chairman, personally I have always opposed Government interference in the farm business. Back in the 1930's my father and I both bitterly opposed the Henry Wallace program of telling you

what to plant, plowing up cotton, killing pigs and cattle while people were hungry and ragged. However, the Government embarked upon a program of Government control and Government subsidy. This policy was continued through World War II and since in nearly every field of American endeavor. I believe it would be most unfair to the farmer of today whose income is falling drastically not to support the basic commodities; namely, wheat, cotton, peanuts, corn, tobacco, and dairy products.

I take this position because the Government is subsidizing many businesses. It subsidizes the airlines, foreign countries, and certain publications such as Time and Life magazines. Many industries in America are protected by the Government. Labor is protected by a minimum-wage law and I am in favor of that. The farmer is forced to buy machinery, fertilizer, insecticides, and many other things costing terrific prices because of Government protection of the other segments of our economy. If the farmer in a planned economy such as we have is forced to sell without any protection, many of them would soon go out of business and then the cost of foods to the consumer would really go up.

Falling prices of farm products have not resulted in lower prices to the consumer. For instance, last fall in my district, farmers sold their wheat crop for \$1.50 per bushel. In 1948 they received \$3 per bushel for their wheat. The same week they received \$1.50 per bushel, bread went up 1 penny a loaf. Farmers in my district sold their cattle last fall for 6 cents or 7 cents per pound and steak was selling up to \$1 per pound. I sold my cattle last year for 13 cents per pound and have been paying up to \$1.30 per pound for steak in Washington this year. If this trend continues, the little farmer will be forced out of business. If farmers gave their products away, these farm products would still cost the consumers terrific prices.

When World War II started, we had a surplus of 13 million bales of cotton. Today we have a surplus of only 7 million bales. During World War II we used up this surplus and urged our farmers to grow more cotton. We are spending billions of dollars to build up stockpiles of guns, tanks, and other equipment against the possibility of war. In order to protect the consumer and our Armed Forces in case of war, we should build up a great surplus of food and fibers.

In the last 20 years the American people have paid only \$2 per capita per year to support the entire farm program which includes the Extension Service, the Soil Conservation Service, the Forestry Service, the Agricultural Stabilization Service, and the Commodity Credit Corporation. Yet in these last few years, the American citizens have paid \$87 per capita per year to subsidize foreign countries under our foreign-aid program.

Mr. Chairman, we do not find Communists conserving our soil. We do not find Socialists working on our farms and in our forests. History teaches us that almost every President of the United States was born on a farm and yet every year there is a migration from our farms

to our large centers of population. If we are to maintain the political philosophy of our Founding Fathers, we must insure that a large segment of our population remain on our farms. I urge this Congress to accept a farm bill that will protect the interest of our entire Nation.

Mr. COON. Mr. Chairman, I wish to add my support to section 305 of the bill now before us. This section would direct the allocation to summer fallow wheat farmers a sufficient acreage to prevent a reduction in their allotments any larger than the cut in the national allotment as a whole.

It is important that this section be retained in the bill. It will prevent an unfair discrimination against summer fallow wheat farmers in allotting acreage for the 1955 crop.

Under the methods by which acreage is allotted, many of the wheat producers who follow the summer fallow practice have received larger cuts in their acreage allotments for 1954 than have been received by wheat producers in the same areas who do not summer fallow, or by wheat producers in areas where summer fallowing is not necessary.

Representatives of the wheat industry, both from my home State of Oregon, and from their national organization, have pointed out that these unduly heavy cuts on summer fallow lands would actually be discrimination against good farming methods. They have pointed out also that relatively dry summer fallow wheat lands will grow fewer alternative crops than other wheat lands, especially when the use of diverted acres is restricted, as at present.

It is estimated that between 550,000 and 750,000 acres will be required to adjust this inequity. The national allotment, I believe, is 55 million acres.

According to figures which I have, about 30 percent of the acres planted in the United States in a normal year are in a wheat-fallow rotation. These acres will normally produce, I believe, about one-third of the wheat that is produced each year in this country. The figures show that about 29 percent of the farms in the major wheat-producing States are summer fallow farms.

So this section would prevent possible discrimination against one-third of the wheat industry.

I wish to urge the passage of this important provision of the farm bill.

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

Mr. KING of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KING of Pennsylvania: On page 43, after line 3, insert the following: "Sec. 403. Section 348 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"Sec. 348. (a) Any person who knowingly plants any basic agricultural commodity on his farm in any year in excess of the farm acreage allotment for such commodity for the farm for such year under this title shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended (7 U. S. C. 1348 (b)).

"(b) Persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with

respect to any farm located in a county in which any basic agricultural commodity has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year any basic agricultural commodity on land on his farm in excess of the acreage allotted to the farm under this title for such year (7 U. S. C. 1348 (b))."

Mr. KING of Pennsylvania. Mr. Chairman, this amendment is not as complicated as it sounds.

This amendment simply provides that a farmer cannot be given a subsidy in the form of agricultural conservation payments to take care of diverted acres and other agricultural conservation practices if he knowingly plants in excess of any of his allotments for basic agricultural commodities.

At present under this section of the law a farmer is denied this subsidy if he knowingly overplants his cotton acreage allotment. I am merely making the same provision applicable for other basic commodities as is now in effect for cotton.

Today the capacity of America's farms to produce agricultural commodities is larger than the effective market demand. We are adding to the capacity of the Nation's agricultural plant when we subsidize, through Government payment, improving a particular piece of ground, when at the same time a farmer is knowingly overplanting or ignoring the acreage restrictions on crops under acreage restrictions.

Certainly Federal money should not be spent to expand the productive capacity of a farm at the same time that farm is being overworked to create additional surpluses of crops, the production of which the Government is trying to reduce.

If such a provision as is now provided by law for cotton is fair, and I think it is, then such a provision is fair for other basic crops.

This makes a farmer responsible for his actions and denies him a reward for contributing to excess production. I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman, I am glad to rise in support of this amendment. I also understand that my colleague the gentleman from Illinois [Mr. SIMPSON] will offer an amendment of a similar nature. This is so important that I am going to repeat Mr. SIMPSON's amendment:

In order to stockpile fertility in the soil and build a soil fertility bank, the Secretary of Agriculture is hereby authorized to require producers to devote a percentage of their cropland to soil building crops or practices as a condition of eligibility for (1) conservation payments, and (2) price supports on crops which are not under marketing quotas and acreage controls (either one or both).

In addition the Secretary is hereby directed to establish on an appropriate geographical basis lists of crops which may not be produced for direct or indirect sale (except pasture).

As has been indicated, this amendment will control diverted acreage when

acreage allotments and marketing quotas have once been established. Without this amendment one crop competes against another, thus creating surplus in that commodity.

On Long Island, and particularly in Suffolk County, the farmers are justifiably bitter about the free ride given to the high parity crop farmers. They are bitter not because of the special privilege which is granted these farmers. They are bitter not because of the powerful farm bloc that has always backed so-called basic crops. But, they are bitter because of the salt being rubbed into these open scratches. And, the salt is this:

The corn farmer, or the wheat farmer, when his land has been diverted, promptly plants potatoes. Not only does he raise inferior potatoes, but he also creates a surplus and thus deteriorates the potato market. This action has reduced the price the farmers receive for potatoes below actual cost and causes ruin to our farmers.

I understand that the Secretary of Agriculture has, in the last few days, taken drastic action to correct this injustice. He should be supported by statute.

This also gives me the opportunity to ask the gentleman from New York [Mr. ROOSEVELT] several questions which I tried to ask yesterday. However, my colleague and friend did not yield to me. I would like to know why he, himself, has urged a continued rigid price support? Why he has urged his Democratic colleagues representing New York City to vote with the Southern Democrats and farm bloc Republicans? Does he believe that by forcing high, fixed, rigid parity he will cause a Presidential veto?

The gentleman from New York [Mr. ROOSEVELT] well knows that the housewives in his district, the consumers all over the country, would benefit from reduced farm prices; would benefit from withdrawing this special privilege to a small 22 percent of our farmers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KING].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Illinois:

Page 42, after line 12, insert the following: "Sec. 402. Section 8 of the Soil Conservation and Domestic Allotment Act is further amended by adding at the end thereof the following new subsection:

"(h) In order to stockpile fertility in the soil and build a soil fertility bank, the Secretary of Agriculture is hereby authorized to require producers to devote a percentage of their cropland to soil building crops or practices as a condition of eligibility for (1) conservation payments, and (2) price supports on crops which are not under marketing quotas and acreage controls (either one or both). In addition the Secretary is hereby directed to establish on an appropriate geographical basis lists of crops which may not be produced for direct or indirect sale."

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, there is a passage in Proverbs which states:

He that keepeth his mouth and his tongue keepeth his soul from distress.

There are three kinds of farmers, I have found in the last year and a half during these hearings; those who want flexible supports, those who want rigid supports, and those who want to be let alone.

From my experience in the committee, if all the farmers could listen to all the jaw bone that has been going on in the last year and a half, they would all join the let-alone group.

There are three farm organizations, the American Farm Bureau, which is for flexible supports; The Grange, which is for this bill; and the Farmers Union, which is for 100 percent. I cannot deal with diverted acres in the generous allotment of 1½ minutes. No one else can.

Mr. Chairman, I withdraw my amendment and I will see if I can get it put in in the Senate.

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

The Clerk read as follows:

Amendment offered by Mr. GATHINGS: Page 32, line 11: Strike out all of line 11 and the first four words of line 12, up to and including the word "butterfat."

Mr. GATHINGS. Mr. Chairman, I am urging that this amendment be adopted. It is my purpose to strike out payments out of the Treasury for the difference between the support price and the market price of dairy products. The words "other operations in connection with milk and the products of milk and butterfat" means subsidy payments. If you adopt my amendment you will knock out these payments, which will amount, according to the testimony before the committee, to \$500 million a year. There was one estimate made that it might get up to \$750 million a year of payments to help pay the food bill of the people of the Nation. That money can be saved if this amendment is adopted.

I cannot, for the life of me, see why we should adopt the Brannan plan in this dairy section or any other section of the bill. It is a bad policy to adopt. It is an expensive experiment which would tend to increase production instead of keeping output in line with demand.

I hope my amendment will be agreed to. It will make it possible for the taxpayer not to have to pay, out of the Treasury of the United States direct subsidies to the creameries and to the farmers themselves. I do not believe our farmers want a dole or handout. He is entitled to receive a fair price in the market place.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: At page 32, delete the period after the word "under" and substitute a comma and insert the following: "and not to exceed \$110 million annually of the funds of the Commodity Credit Corporation shall be made available to the Secretaries of the Army, the Navy, and the Air Force, and shall be used by each Secretary to increase the ration of fluid milk to enlisted members of his respective branch of the armed services."

Mr. HOPE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. I make the point of order against the amendment that it is an appropriation upon a legislative bill.

Mr. ROOSEVELT. Mr. Chairman, may I be heard upon the point of order?

The CHAIRMAN. Yes.

Mr. ROOSEVELT. This is not an appropriation on a legislative bill. This simply diverts the funds of the Commodity Credit Corporation, as is already being done in line 13 in connection with the school-lunch program. This does not provide for appropriating any more money. It just diverts the Commodity Credit Corporation funds already there. In effect, this amendment will not cost the taxpayer a dime. It will save him money in storage costs.

The CHAIRMAN. The Chair is ready to rule.

The rule under which this bill is being considered waives points of order on the bill but not in regard to amendments. The amendment which the gentleman offers diverts funds and therefore, in the opinion of the Chair, is against the rule because it is an appropriation. Therefore the Chair is constrained to sustain the point of order.

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

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: At page 36, line 16, "Sec. 325" shall be designated "Sec. 325 (a)" and the following inserted at page 37, line 9:

"(b) the Secretary of Agriculture is further directed to make a study of the prices received or paid by producers, distributors, processors, dealers, and consumers of milk and butterfat and their products and to submit to Congress on or before the 3d day of January 1955, a detailed report thereof showing among other things the spread in prices paid by producers and consumers in the various milk marketing areas, the reasons therefor, and the legislation, if any, needed to protect the public interest."

Mr. ROOSEVELT. Mr. Chairman, may I say before I talk on this amendment that I offered that amendment with regard to the Armed Forces appropriation bill, and I was ruled out of order. I was told I was proposing legislation in an appropriation bill and that I should offer this as an amendment to the agricultural bill. I now propose the same amendment to the agricultural bill, and I am ruled out of order on the grounds that it is an attempt to make an appropriation in a legislative bill. Each time the point of order was made on the Republican side of the aisle. So the men in the Armed Forces are not going to get more fluid milk and the farmers are not going to

sell more fluid milk. Thank you very much. It will be remembered.

I would like to explain the amendment which has just been ruled out of order. It provides that some of the funds which the Commodity Credit Corporation would normally use to purchase surplus manufactured dairy products such as butter, cheese, and nonfat dried milk shall be used to increase the fluid milk consumption by the men in the armed services.

It seems absolutely inconsistent to me that while we are confronted with a serious problem of surplus dairy products, the men in the armed services are limited to only one glass of fluid milk per day. The average American young man, drafted into the Army, is used to his quart of milk a day. This amendment would have permitted him a quart of milk per day. It would not have cost the Government a cent since it would use funds already available for surplus dairy products. In fact, it would save the Government the cost of storing these manufactured products.

The Government pays just about the same price per pound for manufactured dairy products going into surplus as it costs the Army to purchase fluid milk and the farmer receives 46 percent more for his fluid milk than he does for the milk used in manufactured dairy products.

I commend the committee for its program to permit increased consumption of butter, cheese, and nonfat dried milk by our men in the armed services through permitting the Secretaries of the Army, Navy, and Air Force to acquire surplus dairy products from the Commodity Credit Corporation. But while this helps to dispose of the surplus, it does not help to prevent a surplus and it does not help the farmer increase his milk check. This amendment which you have ruled out of order would have done just that, and without additional cost to the Government.

I first proposed this legislation when I introduced H. R. 8952. The committee saw fit to reject that portion of my bill which related to increased fluid milk for the armed services but I am grateful to the committee, as I am sure the dairy farmers of the Nation are grateful, that the committee did see fit to accept that part of H. R. 8952 in which I proposed doubling the fluid milk allocation to each child who participates in the school-lunch program.

Now as to this second amendment: The Legislature of the State of New York has spent \$1 million in the last 9 years to investigate the price spread between what the farmer gets and the consumer pays for milk, cheese, and butter. This amendment simply asks the Secretary of Agriculture to investigate this spread in milk prices so that the gentleman from New York [Mr. JAVITS] and my consumers in New York City will understand why they have to pay three times what the farmer gets, and the farmer will be able to understand why the price to the consumer is so high while the price he receives is so low.

The commission established by the New York State Legislature, issued its

first report in 1946, and reached this very startling and profound conclusion:

The prosperity of New York farmers, as that of all agriculture, is determined largely by the general price level of all commodities, although usually farm prices go higher in periods of inflation and lower in periods of deflation.

In 1947 it made the following far-reaching recommendation:

The commission decided, however, that * * * thorough study of cost elements involved in the price spread, and milk-marketing and distribution practices, including search for possible economies, could benefit producers, dealers, and consumers.

In 1949 the commission's annual report contains what is called Analysis of the Spread Between Farm and Consumer Milk Prices in New York City Under Present Practices. In the section headed "Specific Findings," we find the following sage observations:

The study revealed that wide differences in cost existed within each of the steps or functions from the gathering of milk in the country to its ultimate distribution to consumers in the city.

Substantial reductions in the spread and the accompanying milk prices can be accomplished by reducing costs.

Cost reduction initiated by an individual company will result in increased profits for the company rather than in reduction in the spread unless the company passes these economies on to the consumer through price reductions.

The costs prevailing among dealers where price competition was most keen indicated that cost reductions are most likely to be accomplished under conditions of competition.

In 1950 the commission reported its Analysis of the Spread Between Farm and Consumer Milk Prices in Buffalo Under Present Practices. Its findings for that investigation contain the following very helpful observation:

By improvement in efficiency and more complete utilization of facilities, cost and price reductions are possible.

In 1951 the commission decided to review the effect of transportation on the spread between producer and consumer milk prices. By this time the commission had spent a total of \$238,622 for management consultants; another \$80,000 in attorney's fees; \$58,357 for research and public relations services; \$40,000 for the services of a single economist; \$110,000 for staff salaries, and reported this momentous conclusion:

The time required for a trip from the truck to the consumer's door with the product (milk) and the return to the truck with the empty bottle depends upon the distance traveled.

In each year since 1945 the commission has been consistent in one recommendation, however, they have sought and received an additional appropriation.

Let me read to you what one of our most important eastern agricultural publications, the Rural New Yorker, had to say about this same New York State legislative commission in an editorial published in January of 1951:

A MISERABLE FAILURE

On April 1, 1945, the New York State Temporary Commission on Agriculture was set

up by the legislature upon the express direction of Governor Dewey to determine and correct all adverse conditions in the marketing of farm products. Also on the specific request of the Governor, priority was to be given to an investigation of the milk price spread.

The commission had the complete, unqualified support of farmers, particularly dairy farmers who were puzzled and angry at the steadily increasing spread between the price they received for their milk and the price charged by dealers to consumers. At that time, in early 1945, the spread was 9½ cents on every quart of milk. Countless hearings were held throughout the State and hundreds of interested persons gave testimony voluntarily. All this, for some unexplained reason, took close to 3 years. Finally, in the latter part of 1947, when public patience was all but exhausted, although hope still ran fairly high that somehow something would still be done, the commission appointed a special investigator who in turn hired a firm of efficiency experts. The first report on the milk price spread, finally issued in the spring of 1949, turned out to be nothing more than a useless morass of figures and analyses which were supposed to establish that milk dealers in New York City were earning only two-tenths of a cent, before taxes, on every quart of milk sold.

Since then, the commission has released a similarly pointless report on the Buffalo milk market and is now engaged in studying conditions in the city of Amsterdam.

In addition, there has been some desultory study of farm-to-market roads, and a proposed revision of the cooperative laws, which retains practically every one of the bad features of the existing laws.

For all this, the legislature has made six appropriations of taxpayers' money totalling \$649,923.91, of which, according to the following analysis, \$598,516.86 had already been spent down to December 5, 1950:

Stevenson, Jordan & Harrison (management consultants).....	\$238,662.85
Staff salaries.....	98,644.58
Charles H. Tuttle (legal fees and expenses).....	79,891.67
Agricultural Advertising & Research Agency (public relations, supervision, etc.).....	58,357.57
Dr. Ernest C. Young (milk spread investigator).....	40,552.30
Capitol Research, Reporting & Publicity Service—W. W. Tyler and H. T. Sheffer, partners (public relations).....	11,031.05
Stenographic and stenotype fees.....	10,856.64
Expenses of commission members.....	9,840.12
Hotel accommodations.....	7,347.37
Printing costs.....	5,612.83
Postage.....	3,900.00
Miscellaneous supplies and expenses.....	2,935.62
Office supplies.....	2,520.26
Dr. M. C. Bond (fees and/or expenses as expert, adviser etc.).....	2,230.81
Transportation expenses.....	1,849.50
Stationery supplies.....	1,456.25
Subscriptions.....	690.50
Cornell University.....	160.75

Other expenses (being payments to following persons:)

A. L. Marshall.....	4,454.29
E. G. Byer.....	2,531.67
Marion M. Crain.....	2,309.90
R. W. Mosely.....	2,172.53
N. B. M. Barton.....	2,020.87
R. S. Butler.....	1,215.86
G. B. Robinson.....	1,120.19
C. H. Freeman.....	1,060.67
E. A. Lutz.....	827.66
E. F. Muldowney.....	800.00
M. Hoefer.....	432.90
J. L. Peet.....	397.88

Other expenses—Continued

H. B. Vroman.....	\$382.69
E. Beckwith.....	332.64
Jane M. Hillen.....	285.47
F. E. Serviello.....	221.76
J. P. Christensen.....	206.26
W. M. Allred.....	147.87
F. T. Jensen.....	137.03
R. G. Jamison.....	89.95
H. Mooney.....	87.50
E. J. Mattes.....	80.96
G. N. Blodgett.....	54.86
A. Volk.....	51.90
Joseph Biekirk.....	50.00
S. G. Matthews.....	48.53
L. N. Einsel.....	47.73
T. A. Buhl.....	44.45
H. S. Leffer.....	40.93
M. C. Cary.....	40.00
S. M. Lukas.....	31.68
H. W. Lowe.....	30.39
G. Turner.....	30.00
D. Lush.....	27.60
Page Scott.....	27.30
F. Brand.....	27.30
S. C. Beagle.....	25.00
K. Townner.....	24.50
W. J. Dwyer.....	20.08
V. V. Lenzetti.....	11.63
Frank Jones.....	10.00
W. L. Coughtry.....	7.11
Kirk Stone.....	5.00
Helen Hoehner.....	3.70

Total..... 21,976.19

Total expenditures..... 598,516.86

Classification made by the Rural New Yorker from photostatic copies of ledger sheets furnished by New York State Department of Audit and Control, and from personal analysis of warrants in files of New York State Department of Audit and Control.

Significant in the above list are the charges of the milk experts to the amount of some \$238,000—\$178,871 of it spent in the past 2 years; the legal fees of some \$80,000, and still being paid at the rate of \$625 a month; and the public relations expense of \$69,000.

In a brazen attempt to justify the Commission's expenditures, Senator Austin Erwin, the chairman, has taken full credit for the Sheffield milk price cut back in October, 1949. Only through "permanent cost reductions," he says, can any substantial price reductions be obtained, and then proudly boasts: "We are well on the road to that goal of permanent cost reductions."

These statements, made by chairman Erwin in his 1950 report to the legislature, will come as a distinct surprise to everyone who is even remotely connected with the milk business. There was, of course, no connection whatsoever between the Sheffield price cut and the commission's report and, if Mr. Erwin still insists that this commission's work on milk is responsible—at a cost to date of a definitely earmarked \$280,000, how does he explain the constant increase in the dealer spread within the past 6 months—a total of 2 cents on every quart of milk? Is this what he calls being "well on the road to the goal of permanent cost reductions?"

There was no publication in this area that was more responsible for initiating an investigation of the price spread than the Rural New Yorker; nor was there anyone more hopeful for the successful outcome of the commission's work. There is, therefore, no publication that is more bitterly disappointed and disgusted with what the commission has failed to accomplish—deliberately failed since the facts were, and still are, there to be unearthed. Who is really responsible, we do not know; why hundreds of thousands of dollars have been allowed to go down the political drain in a long drawn-out whitewash of milk dealers, has not been divulged.

This much, however, is clear. Unless there is a complete right-about-face in the com-

mission's policy, and unless there is a real investigation with a full and fearless use of the legislative subpoena powers, it will be a shameless waste of time and money to allow this commission to operate any longer. It has had plenty of time and opportunity, and it has failed miserably those whom it was delegated to aid and protect.

This amendment which I now propose merely provides that the Secretary of Agriculture in addition to the investigation and report which the committee desires he make concerning a new program for the dairy farmer also tells us why the consumer has to pay three times as much as the dairy farmer gets for a quart of milk. It proposes that the Secretary of Agriculture find out and tell the Congress who is getting that spread or difference in the two prices, why he is getting it, and what should be done about it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 64, noes 76.

Mr. ROOSEVELT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROOSEVELT and Mr. HOPE.

The committee again divided, and the tellers reported that there were—ayes 93, noes 105.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

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

The Clerk read as follows:

Amendment offered by Mr. LAIRD:

On page 34, line 20, after the period insert "The Administrator shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection, and."

On page 35, line 3, after the period insert "The Secretaries of the Army, Navy, and Air Force shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection."

(By unanimous consent, the time allotted to Mr. OLIVER P. BOLTON (at the request of Mr. BOLTON) was granted to Mr. LAIRD.)

Mr. LAIRD. Mr. Chairman, last spring and summer I was instrumental in getting a contract negotiated between the Defense Department and the Commodity Credit Corporation, which provided that the Defense Department could purchase butter in addition to their normal open-market purchases of butter from the Commodity Credit Corporation. The following figures reflect the effect of this purchase contract upon the Army, Navy, and Air Force:

	January through June 1953	July through December 1953
Butter (open market).....	Pounds 12,300,000	Pounds 15,200,000
Butter (CCC).....	None	16,000,000
Butter substitutes.....	17,900,000	1,700,000

This is an example of what can be done right within the Government.

I commend the Committee on Agriculture for the provisions included in this bill to make dairy products available to the armed services and the Veterans' Administration. The amendment which I proposed will put the responsibility upon the Administrator of the Veterans' Administration and also upon the Secretaries of the Army, Navy, and Air Force, to move forward on this program to use dairy products and to make monthly reports of the actual progress which is being made in these agencies of the executive departments.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to be recognized to speak in favor of the amendment offered by the gentleman from Wisconsin [Mr. LAIRD] inasmuch as I have the same amendment at the Clerk's desk and have had it there for the last 2 days. At this point I wish to extend my remarks to include the amendment as I left it at the desk yesterday:

Amend subtitle E, section 322, by adding a new subsection (e) at the end of subsection (d), page 35, line 14:

"Starting January 1, 1955, and annually thereafter, the Commodity Credit Corporation shall report to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate the total quantity and value of each type of dairy product made available under this section to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force."

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON].

(By unanimous consent (at the request of Mr. MILLER of California) the time allotted to him was given to Mr. JOHNSON of Wisconsin.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, I favor the amendment for the same reasons as given by the gentleman from Wisconsin [Mr. LAIRD].

I feel there has been a great tendency to charge up to farm price support programs everything possible. Under our amendment it will be necessary for them to report the amount of butter, cheese, and dairy products that are used by Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force, and we will know what they use; and we will have the figures available so they cannot be charged against the farm program.

Section 322 of the bill under consideration provides for amending section 202 of the Agricultural Act of 1949 to increase the consumption of dairy products. Section 322, while not specifying increased allowances to Armed Forces personnel, should increase consumption of dairy products by such personnel. This is the objective of the bill I introduced recently.

My bill, H. R. 8600, if enacted, would increase dairy allowances of milk, butter, and cheese to Armed Forces personnel. Specifically, butter rations would be increased from 1 $\frac{1}{10}$ ounces, cheese rations from $\frac{1}{2}$ to 1 ounce; evaporated and powdered milk from 4 ounces to 1 pint and 1 ounce to 4 ounces respectively. Whole milk rations under provisions of the bill would be 1 quart per day for all branches of our Armed Forces.

The enactment of this bill would mean that Armed Forces consumption of fresh milk, or its equivalent, would be tripled. The consumption of cheese would be doubled and the consumption of butter increased substantially.

Section 322 of the bill before us requires that the Commodity Credit Corporation shall make available to the Administrator of Veterans' Affairs dairy products for use in hospitals under his jurisdiction. Additionally, this section requires the Commodity Credit Corporation to make available to Secretaries of the Army, Navy, and Air Force dairy products for use as a part of the ration of personnel, including hospitalized personnel.

Except for packaging costs, dairy products will be made available by the CCC without charge.

As I mentioned earlier, section 322 does not provide for an increase in daily allowances of dairy products to our Armed Forces personnel. Might I suggest at this point that the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force use the increased allowances of dairy products in my bill as a guide in the future use of dairy products. If time permitted, I would like very much to cite all the reasons why increased allowances of dairy products to our Armed Forces personnel are necessary. It will suffice to say, however, that the men and women serving their country deserve the best in food. Increased allowances of health-giving dairy products is one way to give them the best.

Dairy products under section 322 are to be made available without charge except for packaging costs. The amendment I have introduced has to do with this phase of the bill.

Under the bill, as now written, the costs of this program would be charged to the Commodity Credit Corporation. While my amendment does not change this, it would require, if adopted, that the Commodity Credit Corporation to prepare on January 1 of each year a report of the amount and value of dairy products transferred from the Commodity Credit Corporation under the provision of section 322 to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force.

This amendment does not change in any way the bill before us. It is a safeguard which will make it possible to ascertain each year the exact amount of dairy products furnished by the CCC to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force.

This amendment is needed to assure that the costs of this program are not charged to farmers, but to the costs of national defense.

It has been clearly demonstrated since Mr. Benson became Secretary of Agriculture that some definite safeguards are needed to assure that the cost of a farm price support program can be determined without question. It is toward this and that I ask your support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The question was taken; and on a division (demanded by Mr. LAIRD) there were—ayes 81, noes 9.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Page 51, after line 2, insert the following:

"SEC. 602. The Agricultural Marketing Agreement Act of 1937 is amended by adding at the end thereof the following new section:

"SEC. 7. (a) The purpose of this section is to remove those barriers to the free movement of milk and milk products in interstate commerce which now exist because of milk marketing agreements and orders issued under this act, and because of various State and local sanitation requirements; and to provide uniform sanitation standards governing milk and milk products shipped in interstate commerce.

"(b) The Surgeon General of the Public Health Service shall prescribe uniform sanitation standards governing the production and handling of milk and milk products shipped in interstate commerce. As used in this section, the term 'sanitary milk or milk products' means milk or milk products produced in a State whose chief agricultural officer has certified to the Secretary of Agriculture of the United States that milk and milk products produced in such State are produced and handled in compliance with the standards prescribed under this subsection.

"(c) No marketing agreement or order issued under this act shall apply to, or be effective in, any marketing area in which any Federal, State, or local restrictions operate to prevent the free marketing of sanitary milk or milk products shipped into such area in interstate commerce.

"(d) No Federal, State, or local law shall operate to prevent the free marketing, in any area of the United States, of sanitary milk or milk products shipped into such area in interstate commerce."

Mr. LAIRD. Mr. Chairman, this is a complicated amendment but it is necessary to provide for the free flow of milk throughout the country. At the present time the free flow of milk from Wisconsin to other sections of the country is being stopped by local health ordinances which act to keep out low-priced Midwest milk. Federal milk marketing orders issued by the United States Department of Agriculture have had the same effect. Local health ordinances are used in dozens of ways to keep out low-priced milk from Midwest areas. Federal marketing agreements have kept class I fluid milk prices at such a high level that the result has been to increase milk output in city milkshed areas. Just last year there were 49 Federal marketing agreements in force. Over 44 percent of the milk coming into these areas was surplus milk which could not be sold as fluid milk. These Federal orders have encouraged building up huge surpluses in these selected milksheds because of monopoly prices and distant producers have been forced out of these same markets. The amendment which I propose will help to clean up the sorry milk-marketing mess.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. AUGUST H. ANDRESEN. As the gentleman knows, I have a similar measure pending before the Committee on Agriculture. This matter of trade barriers between sections of the United States is something that many of us are interested in. I brought up the matter in the Committee on Agriculture, and we did not come to any conclusion because many members of the committee felt that with the beginning of a new Congress we should hold extensive hearings on it, which have not been agreed to, but we hope the entire matter will be explored at that time.

Mr. LAIRD. I thank the gentleman. Mr. Chairman, in view of the fact that time is limited and because this amendment has served a very desirable purpose indeed in calling to the attention of this Congress a situation as it exists regarding the free flow of milk in this country, I will ask that the amendment not be considered at this time and under unanimous consent ask that it be withdrawn.

I wish to commend the Committee on Agriculture, particularly the chairman, the distinguished and able Congressman from Kansas, Hon. CLIFFORD HOPE, and the senior Republican member of this committee, the able spokesman for the dairy farmer on the floor of the House, the Honorable AUGUST H. ANDRESEN, of Minnesota, for agreeing to study this entire dairy marketing situation between now and the 1st session of the 84th Congress. I realized at the time this amendment was introduced that it was a complicated amendment, but it was my purpose to call this situation to the attention of all Members of the House.

I thank my colleagues for their consideration, and particularly the House Committee on Agriculture, for undertaking a complete review of milk-marketing procedures and the marketing of dairy products.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from New York offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OSTERTAG: On page 43, line 3, before the period, insert the following: "and to the maintenance of proper balance between soil-conserving and soil-depleting crops on the farm."

Mr. OSTERTAG. Mr. Chairman, this amendment will give the Secretary of Agriculture discretionary authority to require the maintenance on farms of a proper balance between soil-conserving and soil-depleting crops, in the administration of ACP programs.

In many areas of our country, it will not be necessary for the Secretary to use this authority because farmers are already pursuing crop-rotation systems that provide for a balance between the soil-exhausting and soil-building crops. In other areas, however, as Members of this House from rural districts can testify, some farmers devote all of their tillable acres, year after year, to soil-depleting crops. My amendment will give the Secretary of Agriculture the authority he needs to restore a proper balance to crop rotation in such areas, and thus to insure that the ACP payments

actually serve the purpose for which they are made.

I may say, Mr. Chairman, that this amendment has the full backing and approval of the Secretary of Agriculture and his Department, and will, if adopted, greatly strengthen the ACP program and the objective it is designed to serve. It will serve both our immediate and our long-range agricultural objectives, while preserving, to the maximum degree possible, flexibility in the administration of the program.

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

Mr. OSTERTAG. I yield.

Mr. KEATING. I am happy to support the gentleman and commend him for offering this amendment.

Mr. OSTERTAG. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 25, line 16, after the word "subtitle" strike out the period, insert a colon and the words: "Provided, That the support price for shorn wool shall not exceed 110 percent of the parity price therefor."

Mr. YATES. Mr. Chairman, my amendment, which sets a maximum limit of 110 percent of parity for the wool program, may sound strange after listening for 3 days to Members pulling and pushing each other to obtain 82½ percent of parity or 90 percent of parity, but I believe it is a necessary one. In my opinion the provision to which my amendment is directed is a sleeper. If you read the sentence beginning on line 11 on page 85, you will see that the Secretary of Agriculture has been given a blank check to pay any support price for shorn wool which he considers to be necessary in carrying out the program. I am opposed to giving him such a blank check, particularly in view of the fact that the program is a new and experimental one which may result in tremendous expense to the taxpayers.

The new program is supposed to be predicated on the Brannan plan. The single most vehement argument made against the Brannan plan apart from the charge that it set up a dole for farmers, was to its possible expense. Certainly if we place no curbs upon the discretionary power of the Secretary of Agriculture, knowing that he is required to offer incentives to procure the production of 300 million pounds of wool during the next year, we may find ourselves faced with a tremendous deficit for this one program alone.

My amendment simply imposes a ceiling beyond which the Secretary of Agriculture cannot go in purchasing shorn wool. The gentleman from North Carolina, Mr. COOLEY, for whose opinion on farm matters I have a great deal of respect, has frequently stated that parity is a fair price to the farmer. The stated purpose of the wool program is to stimulate domestic production. Incentives are

offered for that purpose. Certainly, a ceiling of 110 percent of parity should furnish more than an adequate incentive for development of domestic wool. If anything, the figure is excessive, but it is the maximum. The Secretary will still have the responsibility of operating the program discreetly and reasonably in order to assure maximum efficiency and economy.

I urge that my amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. D'EWART) there were—ayes 76, noes 71.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized.

Mr. PHILLIPS. Mr. Chairman, I rise only to ask a question either of the gentleman from Kansas [Mr. HOPE], or of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. On page 37, line 3, under section 321, the Secretary of Agriculture is directed to make a study and report to Congress. I understand this section does not authorize the Secretary of Agriculture to conduct a referendum of dairy farmers, that the authority for the referendum will originate in a later enactment.

Mr. AUGUST H. ANDRESEN. The gentleman is correct in his interpretation. There is no existing law that would authorize the referendum.

The section of the bill to which the gentleman refers simply requires a study and report by the Secretary.

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

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 27, line 20, after the word "hereby", insert the words "authorized to be."

Mr. YATES. Mr. Chairman, this amendment is to require that payments made to producers under the new program be approved by the Appropriations Committee. The language now in the bill would make appropriations automatic for 70 percent of the duties received on wool imports. The funds would be made available to and paid out by the Commodity Credit Corporation, without reference to the Appropriations Committee. The wool program provided for in this bill is stated to be the Brannan plan concerning which the major criticism has been the potential cost. If we want to know what the Brannan plan costs in operation, why should we not keep a check on it by requiring appropriations to be made through the Appropriations Committee? Funds received automatically under section 32 have a habit of getting lost, much more so than if they were required to be a part of the agricultural budget. It seems to me that the growing tendency to make permanent appropriations for agricultural commodities, without the supervision by congressional committees annually, is undesirable. I am not willing to accept the argument that has been made "that this is wool's part of the section 32 funds," as though each of the agricultural commodities is entitled to

its proportionate share of tariff income which otherwise would be paid into the treasury and lighten the taxpayer's burden.

I urge that my amendment be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 21, noes 68.

So the amendment was rejected.

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

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

There was no objection.

Mr. DONOHUE. Mr. Chairman, I do not rise in any spirit of personal argumentation or contention. My sincere purpose is to reflect with you on the very serious questions that deeply disturb me about this farm legislation. I believe, and I feel there are many millions of other Americans believing with me, that it is high time for the Congress to re-examine and reappraise the high rigid farm price support program that portends eventual disaster to the farmer himself and more immediate suffocation of our burdened taxpayers.

Sensible it is to recognize our obligation of helping to maintain a stable farm economy for the national welfare. At the same time, we cannot deny the duty we have to afford all possible protection to the general consuming public.

Any legislative program involving an investment of \$6½ billion with storage charges alone amounting to \$700,000 per day, or about \$30,000 per hour, certainly demands the objective, nonpartisan, unprejudiced, conscientious analysis of this House. This staggering amount is a defenseless burden being imposed on all American taxpayers, farmers, and consumers alike. It challenges our legislative duty to find and apply some other method of saner assistance to the basic farm economy and sensible saving of the taxpayers' money.

Summarizing the current situation, we find the mandatory rigid 90 percent support prices for the so-called basic commodities have created enormous surpluses. Under the existing law, the Government is compelled to purchase these surpluses regardless of the quality offered or of the needs of the consumer. As an inevitable result of the extension of these Government guaranties, the farmer is now producing these products for Government storage instead of for consumption. This factor alone seems to me, in all commonsense, to be an inherent contradiction of all natural and economic laws.

As these surpluses constantly mount, the present law requires the Secretary of Agriculture to impose smaller acreage quotas upon the farmer, with marketing limitations and penalties for violations. This requires farmers to take more and more acres out of production of these crops. The situation is now approaching a stage in which the reduced production, even with the high supports, will mean a lower income to the farmer

while at the same time, the costs to the Government for storage and spoilage have already reached stupendous proportions.

Eventually, this impractical policy promises to lower the purchasing power of the farmer for the equipment and machinery produced by labor and industry. Likewise with restricted and limited operation, the farmer will need less equipment and manufactured materials and services. A chain reaction is threatening all along the line which can seriously injure every factor of our economy.

Mr. Chairman, that is substantially and briefly why I earnestly urge an unbiased review of the present farm program and initiation of determined effort to find a better way to solve the problem. In furtherance of that objective, I suggest the practical wisdom of reconstituting into this legislation the principle of flexible prices incorporated in the farm-support program in 1948. From a study of the legislative action then, it is clear that the Congress never intended that this high rigid price-support program must go on forever. I do not intend to convey any conviction that the flexible system offers the full and complete answer to this perplexing dilemma. However, any beginning of the flexible system would obviously tend to stop the incentive to overproduce. Unquestionably, it would encourage domestic consumption, and I do not think there is any Member here who would not rather have these healthy food products eaten by the American people than put away to spoil in warehouses all over the Nation. In addition, the flexible system would tend to stimulate foreign export of agricultural commodities. Will anyone dare say that these salutary changes are not worth seeking?

Realizing the Chief Executive's concern over this legislation, let us take no chance of provoking a Presidential veto. There are some very sound features in this legislation, such as those providing fair and equitable adjustments to encourage the stability of the wool and dairy industries. Let us not sacrifice these substantial segments of our economy for any dubious political advantage.

Let us also consciously realize that savings of the funds now needlessly expended for high price supports can and should be utilized to promote increasing advantages for the farmer and the country at large. For instance, these savings can be used for increased support of agricultural research and education; on research aiming to expand efficient marketing of farm products, both at home and abroad, and for the development of a more positive program of soil and water conservation, all of which add to the preservation of our natural resources.

Mr. Chairman, let me emphasize that I have no thought of sudden abandonment of any farm program or immediate transition to a new system that might well impose serious hardships upon everyone concerned. That is not the objective at all. The purpose is to begin a gradual retreat from the tentacles of an octopus threatening us with hopeless envelopment. The common-sense thing to do is to take a step back, for

healthy perspective, away from the rigid high price supports imposed only as a wartime precaution, that we all well understand cannot go on indefinitely and are each day plunging the country and the farmer into a widening financial morass. I, for one, do not want to see the day in this country when there could be more storage houses than dwelling houses.

We all appreciate that politics has played too great a part in the continuation of the current program. In that respect, let me recall the words of the President of the United States on last June 10 when he was speaking before a congressional committee of his own party. On that occasion he said, "Now, I want to make this one point clear. In this matter I am completely unmoved by arguments as to what constitutes good or winning politics. I know that what is right for America is politically right."

That is the kind of courageous language I rather imagine is, in these turbulent times, most welcome music to the ears of our loyal American people. I further believe they will wholeheartedly approve of our individual action, in the spirit of that language, of voting for what is right and good for all America.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. HALLECK. Mr. Chairman, we will adjourn over until Tuesday.

On Tuesday we will call the Consent and Private Calendars, after which we will call up H. R. 8009, care of mentally ill, Alaska, and H. R. 9252, to provide reserve of tankers. If there is a record vote on either of those bills that record vote will go over until Wednesday. For Wednesday and the balance of the week the following bills will be considered:

H. R. 9640, Vocational Rehabilitation Act, and H. R. 7486, harboring of fugitives.

If rules are granted, the following bills will be considered:

H. R. 9709, unemployment compensation.

H. R. 9580, Espionage and Sabotage Act.

S. 2987, transfer of hay and pasture seeds from Commodity Credit Corporation.

Senate Concurrent Resolution 79, continue Texas City tin smelter.

H. R. 9144, Federal Reserve Act loans by Small Business Administration.

H. R. 8386, conservation of water resources.

S. 1276, act to amend the Bankhead-Jones Farm Tenant Act.

Conference reports may be called up at any time, and any further program will be announced later.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Corron, Chairman of the Committee of the Whole House on the State of the

Union, reported that that Committee, having had under consideration the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture, and for other purposes, pursuant to House Resolution 604, he reported the bill back to the House and sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. COOLEY. Mr. Speaker, I demand a separate vote on the so-called Harrison amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: On page 1, strike out line 7 and all that follows down through line 2 on page 8 and insert in lieu thereof the following:

"(6) except as provided in subsection (c) and section 402, the level of support to co-operators shall be not more than 90 percent and not less than 82½ percent of the parity price for the 1955 crop of any basic agricultural commodity with respect to which producers have not disapproved market quotas; within such limits, the minimum level of support shall be fixed as provided in subsections (a) and (b) of this section."

Mr. HOPE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 170, answered "present" 1, not voting 35, as follows:

[Roll No. 96]

YEAS—228

Adair	Campbell	Fenton
Addonizio	Canfield	Fernandez
Allen, Calif.	Carrigg	Fogarty
Allen, Ill.	Cederberg	Forand
Arends	Chenoweth	Ford
Auchincloss	Chipperfield	Frelinghuysen
Ayres	Church	Friedel
Bailey	Clardy	Fulton
Baker	Clevenger	Gamble
Barrett	Cole, Mo.	Garmatz
Bates	Coon	Gary
Beamer	Corbett	Gavin
Becker	Cotton	Golden
Belcher	Coudert	Goodwin
Bender	Cretella	Graham
Bentley	Crumpacker	Granahan
Betts	Cunningham	Green
Bishop	Curtis, Mass.	Gubser
Boland	Curtis, Mo.	Gwinn
Bolton	Curtis, Nebr.	Hale
Frances P. Bolton	Dague	Haley
Oliver P. Bolton	Davis, Wis.	Halleck
Bosch	Dawson, Utah	Hand
Bow	Delaney	Harden
Bramblett	Dempsey	Harrison, Nebr.
Bray	Derounian	Harrison, Va.
Brown, Ohio	Devereux	Harrison, Wyo.
Brownson	Dollinger	Harvey
Broyhill	Dondero	Herlong
Budge	Donohue	Hesselton
Bush	Donovan	Hess
Byrd	Dorn, N. Y.	Hiestand
Byrne, Pa.	Elsworth	Hill
Byrnes, Wis.	Engle	Hillelson
	Fallon	Hinshaw

Hoffman, Ill.	Meader
Hoffman, Mich.	Merrill
Holmes	Morrow
Holt	Miller, Md.
Holtzman	Miller, Nebr.
Hosmer	Miller, N. Y.
Howell	Morano
Hruska	Mumma
Hunter	Neal
Hyde	Nelson
Jackson	Nicholson
James	Oakman
Javits	O'Brien, Mich.
Jenkins	O'Neill
Johnson, Calif.	Osmer
Jonas, Ill.	Ostertag
Jonas, N. C.	Patterson
Judd	Pelly
Kean	Philbin
Kearney	Phillips
Kearns	Pillion
Keating	Poff
Kelly, N. Y.	Prouty
Kilburn	Radwan
King, Pa.	Ray
Knox	Reams
Laird	Reece, Tenn.
Lane	Reed, Ill.
Lantaff	Reed, N. Y.
Latham	Rhodes, Ariz.
LeCompte	Rhodes, Pa.
Lipscomb	Riehlman
McConnell	Robison, Ky.
McCulloch	Rodino
McDonough	Rogers, Fla.
McGregor	Rogers, Mass.
McIntire	Sadlak
McVey	St. George
Mack, Ill.	Saylor
Mack, Wash.	Schenck
Malliard	Scherer
Martin	Scott

NAYS—170

Abbott	Frazier	O'Hara, Ill.
Abernethy	Gathings	O'Hara, Minn.
Albert	Gentry	O'Konski
Alexander	George	Passman
Andersen	Grant	Patman
H. Carl	Gregory	Patten
Andresen	Gross	Prost
August H.	Hagen, Calif.	Pilcher
Andrews	Hagen, Minn.	Poage
Ashmore	Hardy	Polk
Aspinall	Harris	Preston
Barden	Hays, Ark.	Price
Battle	Hays, Ohio	Priest
Bennett, Fla.	Hebert	Rabaut
Bennett, Mich.	Hoeven	Rains
Bentsen	Hope	Rayburn
Berry	Horan	Rees, Kans.
Blatnik	Ikard	Richards
Boggs	Jarman	Riley
Boiling	Jensen	Rivers
Bonner	Johnson, Wis.	Roberts
Bowler	Jones, Ala.	Robeson, Va.
Boykin	Jones, Mo.	Rogers, Colo.
Brooks, La.	Jones, N. C.	Rogers, Tex.
Brooks, Tex.	Karsten, Mo.	Rooney
Brown, Ga.	Kee	Roosevelt
Buchanan	Kelley, Pa.	Selden
Burleson	Kilday	Shuford
Cannon	King, Calif.	Sikes
Carlyle	Kirwan	Simpson, Ill.
Carnahan	Kluczynski	Smith, Kans.
Celler	Krueger	Smith, Miss.
Chelf	Landrum	Spence
Chudoff	Lanham	Springer
Colmer	Lesinski	Steed
Condon	Lovre	Sullivan
Cooley	McCarthy	Talle
Cooper	McCormack	Teague
Crosser	McMillan	Thompson, La.
Davis, Ga.	Madden	Thompson, Tex.
Davis, Tenn.	Magnuson	Thornberry
Dawson, Ill.	Mahon	Trimble
Deane	Marshall	Tuck
D'Ewart	Matthews	Vinson
Dies	Metcalf	Wampler
Dolliver	Miller, Calif.	Watts
Dorn, S. C.	Miller, Kans.	Whelan
Dowdy	Mills	Whitten
Doyle	Mollohan	Wickersham
Durham	Morgan	Wier
Eberhart	Moss	Williams, Miss.
Edmondson	Moulder	Williams
Elliott	Multer	Wilson, Tex.
Evins	Murray	Winstead
Fine	Natcher	Yorty
Fisher	Norrell	Zablocki
Forrester	O'Brien, Ill.	
Fountain	O'Brien, N. Y.	

ANSWERED "PRESENT"—1

Hollifield

NOT VOTING—35

Angell	Gordon	Morrison
Bonin	Hart	Norblad
Buckley	Heller	Perkins
Burdick	Hillings	Powell
Busbey	Keogh	Regan
Camp	Kersten, Wis.	Secrest
Chatham	Klein	Shafer
Cole, N. Y.	Long	Sheppard
Dingell	Lucas	Sutton
Dodd	Lyle	Weichel
Feighan	Machrowicz	Wilson, Calif.
Fino	Mason	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hillings for, with Mr. Burdick against.
Mr. Cole of New York for, with Mr. Hollifield against.

Mr. Bonin for, with Mr. Perkins against.
Mr. Mason for, with Mr. Camp against.
Mr. Busbey for, with Mr. Keogh against.
Mr. Fino for, with Mr. Lucas against.
Mr. Weichel for, with Mr. Klein against.
Mr. Shafer for, with Mr. Chatham against.
Mr. Hart for, with Mr. Regan against.

Until further notice:

Mr. Angell with Mr. Morrison.
Mr. Wilson of California with Mr. Long.
Mr. Kersten of Wisconsin with Mr. Gordon.
Mr. Norblad with Mr. Sutton.

Mr. HOLIFIELD. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from New York, Mr. COLE. I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

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

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

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

The bill was passed.

The title was amended so as to read:

"A bill to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes."

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. MEADER asked and was given permission to address the House for 5 minutes today, following the special orders heretofore entered.

INCREASE OF COMPENSATION AND PENSIONS FOR VETERANS

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

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

There was no objection.

Mr. RADWAN. Mr. Speaker, I am introducing a resolution which calls for a closed rule for the consideration of the bill H. R. 9020, which has been pending before the Committee on Rules since May 28.

This bill, which I have the honor to sponsor and which was carefully con-

sidered by the Subcommittee on Compensation and Pensions and unanimously reported by the full Committee on Veterans' Affairs, provides increases in the rates of compensation and pension for veterans and their dependents of all wars, service-connected and non-service-connected.

In the case of the service-connected veteran the increase is 10 percent across the board. An increase is granted the service-connected widow without children who was omitted from the last compensation bill, from \$75 to \$87. There is also an increase provided for dependent parents who were likewise omitted from the compensation bill passed in the 82d Congress. The non-service-connected cases received varying increases. The rate for World War I today is \$63 if less than 65 years of age and this is fixed under the bill at \$68. At age 65 the rate today is \$75, and this is increased to \$80. The aid and attendance rate applicable to veterans of all wars is now \$129 and the bill would increase that to \$135. The Spanish War veterans today receive \$96.75 per month and this rate is increased to \$100 even.

Varying increases are granted to widows and their dependents. For example, World War I, II, and Korea are increased from \$48 to \$54. The Spanish War group is increased from \$51.60 to \$58.

I am still hopeful that the Rules Committee will grant a rule on this bill and I have delayed the introduction of this resolution so that the committee might act first.

ADJOURNMENT OF THE HOUSE UNTIL TUESDAY NEXT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

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

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

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

There was no objection.

SPEAKER AUTHORIZED TO SIGN ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk may be authorized to receive messages from the Senate and the Speaker may be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found to be duly enrolled.

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

There was no objection.

CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order to call bills on the Consent Calendar on Tuesday next.

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

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may I ask if on Tuesday there is a rollover is it the intention to have that take place on Wednesday?

Mr. HALLECK. That will take place on Wednesday. I announced that earlier in the day.

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

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

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

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

There was no objection.

SALE OF CERTAIN WAR-BUILT PASSENGER-CARGO VESSELS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 534, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The Clerk read the title of the bill.

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

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

*Resolved, etc., That (a) the Secretary of Commerce is hereby authorized, during a period of 6 months after the enactment of this act, to sell to American President Lines, Limited, the war-built passenger-cargo vessels, the steamship *President Cleveland* and the steamship *President Wilson*, on an as-is where-is basis, at the sales price of \$6,500,000 per vessel and from such price there shall be subtracted, as depreciation, \$1,225 per day per vessel for the period beginning April 1, 1954, and ending with date of execution of the contract of sale of the respective vessel. Each such sale shall be on the basis of the payment of not less than 25 percent of the respective vessel sales price at the time of the execution of such vessel sales contract, with balance payable in approximately equal annual installments over the remainder of the 20-year economic life of the vessel with interest on the portion of the vessel sales price remaining unpaid at the rate of 3½ percent per annum. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a preferred mortgage on the vessel sold, which mortgage may provide that the sole recourse against the purchaser of the vessel under such mortgage, and any of the notes secured thereby, shall be limited to repossession of the vessel by the United States and the assignment of insurance claims, if the purchaser shall have complied with all provisions of the mortgage other than those relating to the payment of principal and interest when due, and the obligation of the purchaser shall be satisfied and discharged by the surrender of the vessel, and all right, title, and interest therein to the United States. Such vessel upon surrender shall be (1) free and clear of all liens and encumbrances whatsoever, except the lien of the preferred mortgage, (2) in class, and (3) in as good order and condition, ordinary wear and tear excepted, as when acquired by the purchaser, except that any deficiencies with respect to freedom from encumbrances, condition, and class, may, to the extent covered by valid policies of insurance, be satisfied by the assignment to the United States of claims of the purchaser under such policies of insurance.*

(b) Any contract of sale executed under authority of this act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of such vessels or vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon), or the fair and reasonable scrap value of such vessel, as determined by the Maritime Administrator, whichever is the greater; that such determination shall be final; that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessels on the schedule adopted by the Internal Revenue Service for income tax purposes as applicable to each such vessel; that each such vessel shall remain documented under the laws of the United States during the remainder of the 20-year economic life of the vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States, and documentation shall run with the title to each such vessel and be binding on all owners thereof.

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

SPECIAL ORDER GRANTED

Mr. PRIEST asked and was given permission to address the House for 1 hour on Tuesday next, following the legislative program and any special orders heretofore entered.

SPECIAL ORDER VACATED

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the special order I have for today be vacated.

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

There was no objection.

CERTAIN CLAIMS OF THE STATE OF CALIFORNIA

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3191) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 13, after "States", insert ": *Provided*, That the passage of this legislation shall not be construed as an inference of liability on the part of the United States Government."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DISPOSAL OF PAID POSTAL-SAVINGS CERTIFICATES

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7371) to provide for the disposal of paid postal-savings certificates, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out all after "paid" down to and including "thereto" in line 12.

Page 2, line 5, strike out all after "Department" down to and including "thereto" in line 8.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. OLIVER P. BOLTON. Mr. Speaker, as the author of H. R. 7371, I am pleased to urge its final enactment by the House.

As previously stated, this legislation will grant to the Postmaster General authority to destroy or otherwise dispose of postal-savings certificates, including duplicates, after 6 years from the date payment has been made, as shown by the records of the Post Office Department.

In order to give adequate notice and protection to persons who might have such claims on the date this proposal is enacted, it is provided that the bill shall take effect on the first day of the sixth calendar month following the date of enactment.

There are now approximately 250 million postal-savings certificates in the hands of the Post Office Department which could be destroyed when this bill becomes law. The preservation and safekeeping of these certificates is costly—it is time consuming, space consuming, and causes other needless additional expense to the taxpayer. This bill will further aid in reducing bookkeeping procedures with the Post Office Department.

Mr. Speaker, H. R. 7371 is one more step by the administration to give the public better postal service for less money.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. REES of Kansas. Mr. Speaker, the language of H. R. 7371 in its present form is the same as recommended by the Post Office Department.

This bill was reported by the Committee on Post Office and Civil Service and passed the House with a clarifying amendment. This amendment was intended to insure a judicial remedy for owners who might lose postal-savings certificates and fail to make claim for payment before the expiration of 6 years. The Senate disagreed with this clarifying amendment.

The Post Office Department is of the opinion that the program proposed would not have the full effect anticipated if this amendment were included.

This bill will authorize the destruction of some 250 million paid postal-savings certificates which, under present law, must be retained and stored by the Department. Similar provisions with respect to claims on account of certain checks or warrants which appear to have been paid are contained in the act of June 22, 1926.

MONOPOLISTIC PRACTICES IN RETAIL DISTRIBUTION

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, as a result of the recent investigation and study of the retail distribution of fluid milk, I am today introducing a proposed resolution. This resolution provides that the Federal Trade Commission shall make a thorough study of those practices in the retail marketing of fluid milk that are in restraint of trade and are monopolistic.

The dairy farmers who do not live in areas where a fluid-milk market is readily accessible are severely penalized in many instances by civil ordinances and regulations, and in some cases by State laws.

I am firmly of the opinion that dairy farmers who are strategically located, geographically speaking, should not be treated differently from those who happen to live at some distance from a fluid-milk market, insofar as the free flow of milk is concerned.

But that is the case when laws or regulations are set up primarily for the purpose of protecting coveted markets from the free flow of milk. In many cases the laws or regulations are set up under the guise of establishing sanitary standards. This practice should be given close attention, in whatever study is made, as a basis for the formulation of corrective measures.

The problem of eliminating monopolistic laws and regulations has been widely recognized. In this connection, I would like to quote a paragraph from the Wisconsin Farmers Union program for 1953-54. It is as follows:

We favor a thorough investigation and prosecution of monopolists in dairy distribution by the Federal Government.

Members of the Minnesota Farmers Union in their program for 1954 give cognizance to the inequities in the retail marketing of fluid milk. I quote, as follows:

Dairy products. Price supports of not less than 90 percent of parity on butter should be extended beyond the present expiration date. In addition, the so-called milkshed areas in the East should be opened up to all producers of dairy products. A free movement of milk would help alleviate the so-called surplus of butter. Because of unfair restrictions, dairymen in the Midwest are forced into heavy butter production. We favor laws to regulate dairy substitutes and so-called filled-milk products.

The action program adopted by delegates to the National Farmers Union Dairy Production Conference in Madison, Wis., January 22-23, 1954, adopted the following statement concerning the fluid-milk market. Again I quote:

We urge that milk-marketing orders be continued, and since milk distribution is now regional instead of local, that Federal orders be reexamined for their effect on the transfer of milk from one local market to another, and their effect on locations of production.

Inequities in the marketing of milk can be illustrated best by looking at the great discrepancy in milk prices between States. According to statistics obtained from the Department of Agriculture publication, *Agricultural Prices*, May 15, 1954, Wisconsin dairy farmers received for all milk as of this date the average wholesale price of \$3.05 per hundredweight. This is only 63.9 percent of national average parity. The average price of fluid milk per hundredweight in the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas was only \$3.19 on May 15, 1954, according to this publication. This is only 66.9 percent of national average parity, only a slight improvement over milk prices in Wisconsin.

In contrast to these depression prices, let us look at milk prices in some other States. The average price of all milk in Florida per hundredweight is \$6.85, 143.6 percent of national average parity price; in New Hampshire \$4.35, 9.12 percent; in Rhode Island \$5.75, 120.5 percent; in Connecticut \$5.35, 112.2 percent of national parity average. For the Nation as a whole, the average price of fluid milk is \$3.76 and is somewhat below 75 percent of parity for manufacturing milk.

These price averages and parity percentages show rather clearly how the present policies of Secretary of Agriculture Benson are directed toward penalizing farmers who reside in areas away from the bigger milk markets and whose milk must be sold, at least in part, for manufacturing purposes.

The fact is that Secretary Benson has jiggled even lower the method of cal-

culating supports for manufacturing milk while apparently content with leaving up the bar against the free flow of milk from the Midwest into the lush, highly protected eastern markets.

The above parity price figures for fluid milk in Wisconsin and the North Central States illustrates Benson's juggling of the means for calculating parity price for manufacturing milk.

To lower prices for manufacturing milk Benson has changed the base period which prior to April 1, 1954, was used for calculating the figure from which the price of manufacturing milk is obtained. Prior to April 1, Benson used the base period July 1946 to December 1948—in effect since February 23, 1949. The use of this base period placed the ratio at 88.5 percent which represents the average ratio of the actual market price of milk for manufacturing to the actual price of all milk sold at wholesale to dealers and plants during the base period July 1946 to December 1948. According to the 88.5 percent ratio—if the parity price for all milk is \$5 per hundred-weight, the parity price equivalent for manufacturing milk would be \$4.43.

Now the base period has been changed so that the entire period from July 1946 to March 1954 is used for calculating the adjustment ratio. This has the effect of reducing the 88.5 percent ratio to 84.1, or, expressed in terms of dollars and cents, the price of manufacturing milk is reduced from \$4.43 to \$4.20. This drop has been brought about by increasingly low prices for manufacturing milk since July 1946. Fluid milk prices, however, have been protected.

I am gratified that the House Committee on Agriculture has taken direct action to correct this adverse ruling. The maintenance of barriers against fluid milk from Midwestern dairymen is not in the interest of consumers who are the victims of these monopolistic barriers. They must pay higher prices for milk than would be the case in a market where milk could flow freely in interstate commerce. These high milk prices also hold down consumption, which means the manufacturing milk markets which ordinarily would go to Midwestern dairymen are flooded with milk from the high retail price areas.

A 63.7 percent of the national average parity price for all milk products in Wisconsin and equally low prices in other areas means that dairy farmers need help—help in promoting the free flow of milk and help in rolling up again to a minimum of 90 percent of parity, the price supports Benson so ruthlessly slashed to less than 75 percent of parity for manufactured milk.

The recent downgrading of butter is another blow at the producers of manufactured milk. The net result of Benson's action is to greatly lower support prices on butterfat. For that butterfat formerly graded B, but under new rules now graded C, there are no support prices at all.

I sincerely hope that you support this joint resolution as it is an important step toward the alleviation of inequities in the distribution of milk and toward fair parity prices for all.

DANGERS TO OUR AIR STRENGTH

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 30 minutes.

Mr. MILLER of California. Mr. Speaker, the development of a sound civil-air policy is of utmost importance to our country. Recently, I have had occasion to examine it in the light of its relation to our economy. It needs re-study and perhaps revision. Our civilian air strength is also an increment of our defense establishment, as indispensable as any other segment of it.

In this specific connection, the case of the Transocean Air Lines, whose home base and major installations are in my district at Oakland International Airport, presents an important and illuminating instance.

First, we are rather generally agreed these days, I believe, that with the world situation rapidly worsening, particularly in the Far East, we should be wary of taking any step which might tend to weaken the supplementary air strength which we have carefully accumulated over the years.

Launched 8 years ago, with assets of only \$130,000, Transocean during this past fiscal year flew 143,474,303 revenue-passenger miles and 12,866,857 cargo ton-miles. Its employee rolls now number some 2,500 persons, many of them devoted to the overhaul by contract of jet engines for the military at Oakland Airport.

During the Korean war—as the Military Air Transport Service has publicly stated—the Transocean people performed a valorous and efficient service on behalf of our country. The Transocean work in the nerve-wracking Korean airlift and prior to then—its work in flying the Berlin corridor “run” where the issue of war or peace with Russia hung in the balance, as well as its efficient military cargo hauling, stand as enduring testimonials to the praiseworthy manner in which this company has served the national welfare in time of need.

Now this carrier is threatened with being put out of business.

And if it goes out of business, the economic loss to my district, and, as a matter of fact, to northern California, will be tragic—aside from the blow to our civilian supplementary air service, which is always standing by, willing and efficient, if national peril impends.

The root of the difficulty seems to be our concept of the closed-door idea of air traffic regulation, which was created and fostered during a period of air travel infancy. This must be reconsidered so that those efficient carriers, which are presently noncertificated, may live and serve the public demand.

The Transocean operation is threatened by two factors. One is the proposed legislation before the United States Senate Committee on Interstate and Foreign Commerce, sections of which—title III, section 316, and title IV—are inimical to the welfare of the uncertificated carriers. This legislation would ban the special exemptions under which irregular, nonscheduled and noncertificated air carriers now exist and require

that they be permitted to operate only after receiving certification from the CAB.

The second point at issue is the fact that Transocean has now pending, and under submission, with the Civil Aeronautics Board an application for such certification, which would permit it to fly on a scheduled basis. The examiner in the case has recommended certification on an irregular basis, which would suffice to permit the carrier to operate and serve the public interest.

But my concern, Mr. Speaker, lies in the ever-present menace of mass unemployment. In the general area from which I come we have already witnessed the decline of the shipbuilding industry, with the consequent unemployment among the various shipbuilding crafts; and just recently we have noted the shutdown of the Dodge assembly plant, which added to the unemployment toll.

I do not propose to be an alarmist, but I believe that, all other things being equal, it is our duty, wherever we can, to bolster mass purchasing power through endeavoring to support full employment.

Should Transocean Air Lines be put out of business, through adverse legislation, or through failure to win some kind of certification, there is no doubt but that this installation will no longer be able to function at Oakland International Airport.

The resultant unemployment would prove another blow to our local economy, which would have outflowing effects far beyond the restricted areas of Alameda County.

Aside from this point—important as it is—there is another which seems to me to be equally controlling when considering this matter.

The Pacific trade route is potentially one of the great air routes of the world, but I am informed that it has less service at the present time than any other major world trade route.

The trade potential in the Pacific Basin countries is unlimited. When peace comes these countries will want our durable goods and we will want their raw materials. We can carry on a healthy nonsubsidized trade in this area of the world. New and interesting travel prospects unveil themselves as conditions become settled in the Pacific Basin and plentiful and uninhibited travel is essential to the winning of this important economic prize.

The Pacific area itself, as Members of this Congress are well aware, has enjoyed a population increase which has astonished the world. Since the period of World War II the westward migration has been of floodtide proportions.

Transocean, based in my district, proposes to serve the needs of this population, as well as the needs of the rest of the Nation in the low-cost coach travel type of service which, after being introduced by Transocean on the mainland to Honolulu run, has proved so popular.

It seemed to me to be necessary at this time to express my deep concern over this situation to the Congress, to the end that we may be sure that the air carriers

which have done so much for our economy—both civilian and military—be preserved to continue to function efficiently in the public interest.

THE 178TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE AND VETERANS' LEGISLATION

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS, of Massachusetts. Mr. Speaker, on Sunday occurs the 178th anniversary of our declaration of freedom—our Fourth of July. Throughout our country will be the usual observance of this great day; there will be picnics, parades, and much oratory to remind us of the significance of this patriotic holiday.

I hope with all my heart that those of you who are making speeches will remember the men who made our freedom possible. Here in Congress it is difficult not to feel that they have been forgotten.

During the past few weeks we have given long hours of consideration to legislation for every cause except that of the disabled veteran and the dependents of those men who gave their lives that we might remain free. We have been most generous and charitable to the plight of peoples living in foreign lands—on Wednesday we passed the Mutual Security Act, which will cost in the neighborhood of \$3,400,000,000. Today we are working upon legislation that we hope will be helpful to the farmers of our country—and nobody can predict what it will cost. We legislated for the St. Lawrence seaway; we amended the Social Security Act, and we passed the Housing Act—and still we have done nothing for our disabled veterans.

On May 26, over a month ago, after weeks of hearings and hours of careful study of 73 different measures, our Committee on Veterans' Affairs, without a dissenting vote, reported H. R. 9020 to this House. This measure proposes a modest increase in the compensation and pension awards of veterans and veterans' dependents of all of our wars. Immediately after the bill was reported, I wrote a letter to the chairman of the Committee on Rules, requesting that we might have a hearing so that we could obtain a rule for its consideration by the House. Up to this moment that letter has not been answered and further, I can get no assurance that the Committee on Rules will act upon my request. Individual members of the Rules Committee have told me that they would vote in favor of a rule, but they will not have an opportunity to do so until the chairman elects to bring up the legislation in his committee. Many Members of Congress have asked me if they would get an opportunity to act upon this proposal. I know that many of them have contacted the Rules Committee about it—without avail. Their letters have not been answered, either. The great veterans' organizations have made reasonable requests that the measure be brought to the floor of the House where it can be discussed and acted upon—but their efforts have

availed them nothing. Their letters have not been answered either.

That is the situation as this 178th anniversary of the declaration of freedom approaches. Personally, I do not want to address any gathering and tell them what we have done in the 83d Congress for the disabled veterans. I would be at a loss for words if I were asked to point out any particular piece of legislation that has been enacted that would be of great benefit to veterans.

Why is this so? Have we become so callous as to forget those who left the security of their jobs and their homes to protect us when our country was in grave peril? Is it economy that holds up this deserved legislation? The increases in compensation and pension rates proposed in H. R. 9020 are not excessive. The average is about a 10-percent increase. The cost of the measure is not excessive. This year's appropriations for the Veterans' Administration were about \$402 million less than in the fiscal year 1954. The cost of H. R. 9020 is about one-half of this amount.

Mr. Speaker, our Committee on Veterans' Affairs has not even been given the courtesy of a hearing by the Committee on Rules. We believe our extensive work and consideration of the whole subject of compensation and pension rates during this session warrants such a hearing.

I call upon the chairman of the Committee on Rules to observe this 178th Fourth of July not by word of mouth but by deed. Grant us a hearing. We are confident that we can convince your committee of the reasonableness of our proposal.

The very able gentleman from New York [Mr. RADWAN] today filed a petition calling for the discharge of the Rules Committee if they do not act within 7 legislative days. I am sure he did not want to do this but felt some action must be taken to secure a rule.

Mr. EDMONDSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to commend the chairman of our committee for her untiring efforts and for her fight on behalf of the disabled veterans, and on H. R. 9020, a bill which has had bipartisan and united support in the Committee on Veterans' Affairs. I am sure that all of us on the committee join our very able chairman in her plea for action by the Rules Committee for the consideration of this bill by the House.

Mrs. ROGERS of Massachusetts. The gentleman from Oklahoma, a brilliant lawyer, has always been very helpful on the committee. It is incredible to us on the committee that we should not be heard and that we should not have had a hearing. Some of our veterans' legislation expires within the next month.

Mr. EDMONDSON. I agree with the chairman in her conclusion that time is of the essence in this matter if we are going to recognize the need for increased compensation for our disabled veterans.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield gladly.

Mr. McCORMACK. I want to congratulate the gentlewoman from Massachusetts on the fight she is making to have the bill she mentioned and other bills brought up before this session is concluded. The bill providing an additional 10 percent for disabled veterans is a bill that is deserving and is justified. It has been my pleasure to cooperate and associate myself with the gentlewoman from Massachusetts in past years when I was majority leader in bringing up legislation effecting veterans which came out of her committee. I have great respect for the gentlewoman from Massachusetts not only for her legislative ability but for her courage and I want to associate myself with her in the efforts she is making today.

Mrs. ROGERS of Massachusetts. The gentleman has always been extremely helpful in veterans' legislation and we are very grateful to him. We have had no reply to any of the numerous letters sent to the chairman of the Rules Committee. I have had hints that we might get a rule, but there has been no rule forthcoming. I assume that it has been decided that we shall adjourn very quickly. I know other Members have written to the chairman of the Rules Committee and veterans' organizations have written to him. I talked to the commander of the American Legion, Mr. Connell, only yesterday, and I know of his great desire that we do something at this session for the veterans. All of the veterans' organizations have requested help for the veterans.

Mr. STRINGFELLOW. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the distinguished gentleman.

Mr. STRINGFELLOW. I should like to state that I associate myself with the gentlewoman from Massachusetts in her undying efforts in behalf of the disabled veterans, many of whom are not in a position to be gainfully employed. I believe the least we can do is to consider this legislation on its merits on the floor of Congress.

Mrs. ROGERS of Massachusetts. Many veterans in hospitals are lying on their beds of pain and cannot speak for themselves. The gentleman's opinion is extremely valuable, for he himself was terribly injured and they thought he would never walk again. I should like to say to the gentleman, Colonel STRINGFELLOW, how thrilled I was to see the moving picture of *This Is Your Life*, which was about the gentleman's life and about his heroism when he was on an extremely dangerous and secret assignment in World War II. He was the head of a mission of 30 men. All but he were killed. He was the sole survivor. And today we in the House rejoice he is serving in the Congress, and are very proud of him. He is only 31 years old and is serving with courage and distinction.

MONROE COUNTY, MICH.

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 5 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

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

There was no objection.

Mr. MEADER. Mr. Speaker, I have today introduced a bill designed to grant to certain residents of Monroe County, Mich., the right to obtain patents to land which they and their predecessors in title have occupied since Monroe County was originally founded, but for which the Government has never issued patents.

Over 130 years ago the original French settlers of Monroe County staked out claims along the waterfront of the Raisin River. The claims were in most cases only a few rods wide, but extended for long distances back from the river, sometimes as much as a mile and a half.

In 1819 the Government surveyed the county into townships and sections and issued patents in accordance with this survey. The Congress granted to these original French settlers, who were then in possession of the land, the right to have a patent issued on their claims upon submitting proof of ownership of the land. However, very few submitted the required proofs. Most of the settlers continued to occupy their land as originally staked out.

It was not until 1928 that this difficulty was discovered, and the Congress then enacted a law providing for the issuance of patents to the owners of this land. Abstractors' and surveyors' maps showed that there were at least 13 small pieces of land in the county for which no patent had ever been issued, but to which the Government of the United States laid no claim.

There have been various extensions of this law to permit the owners of these lost lands to procure their patent by paying \$1.25 an acre for the land. The recent act, Public Law 856, of the 80th Congress, would have expired June 30, last year. This legislation was sponsored by my predecessor, the Honorable Earl Michener, well known to my colleagues in the House of Representatives, who represented the Second District of Michigan with honor and distinction for three decades.

A year ago I introduced H. R. 5662, which was amended by the Interior Committee by reducing the extension from 5 years to 1 year, and became Public Law 270 of the 83d Congress, approved August 14, 1953.

I have introduced the current bill at the request of the Monroe County Bar Association, members of which grapple with these title defects in rendering opinions on abstracts of title.

Their request, received June 26, 1954, was accompanied by a statement of the "lost lands" problem endorsed by the Monroe County Bar Association, a copy of which is inserted at the end of my remarks.

According to Interior Department records, 320.2 acres were patented under the 1929 act, 462.6 acres under the 1940 act, and only 4.47 acres under the 1948 act. There are over 500 acres of lands in the "lost lands" area which have not yet

been applied for under these special color of title laws.

Last year, because of the objection of the Department of the Interior, I agreed to a 1-year extension of this legislation and undertook within that year to review the problem with residents of Monroe County, including those in the legal professions and those interested in abstract work, in the hope that owners of these lost lands might be induced to make application for their patents and thus bring an end to this problem.

I met with the lawyers of Monroe County and learned that efforts in the past had been made to induce owners of the lost lands to make application for patents but that these efforts had been largely unsuccessful. The owners had never had any doubt of their title since they and their ancestors have occupied the lands without adverse claim for decades, and so cannot be aroused to go to the trouble and expense of applying for a patent except when their abstract of title is examined incident to a transfer, when for the first time they discover this flaw on their title.

Furthermore, I learned that in the past these applications had been processed very slowly in the Department of the Interior and involved a great deal of redtape and delay between the filing of the application and the issuance of the patent. Accordingly, after this exploration I became convinced that a 1-year extension was of little value and that a 5-year extension would be in order.

For 25 years Congress has given the right to acquire patents to certain residents of Monroe County whose title has been adversely affected by the lack of patents. It would now be discriminatory and inequitable to deny similar relief to those who, through no fault of their own, are unaware of this latent defect in the title to their property.

Mr. Speaker, it is my hope that this legislation will be promptly adopted by the Congress.

STATEMENT OF MONROE COUNTY (MICH.) BAR ASSOCIATION

JUNE 24, 1954.

It would appear that the basic purpose of legislation in connection with unissued patents, applicable to "lost lands," is to clarify the record title, to grant title free from Government claims. In Monroe County, Mich., these lands, so far as is known, have been paid for, possessed, improved, and cultivated for upward of 100 years, a situation very different from the so-called wild, forest or desert lands where, according to the best information available, no man has set foot until recent date. Certainly, in connection with the Monroe County lands, it could never be further from the truth to argue that the Government has a bona fide right in the lands and is interested in making money on the same.

Some agitation has been experienced in connection with the legislation applicable to the foregoing, i. e., title 43, section 1068 et sequens and Public Law 856 of the 80th Congress. The attorneys who have had personal experience with the matter of lost lands have expressed unanimity of opinion that the special act is more desirable, more equitable, and more easily administered and complied with than the general "color of title" act for the following reasons:

1. A conflict of interests, actually apparent only from the abstract and not a true controversy, stymies the issuance of a patent under the general act; under the

special act, since no mention is made of the same, it is assumed the Secretary could resolve the matter as an administrative act.

2. Under the general act there is a reservation of coal and mineral rights, with right of entry to develop and prospect; under the special act no such reservation is possible. Obviously land encumbered with such reservation loses considerable value, both as to sale and use, which is a serious fault in view of the purpose of and reason for such legislation. It is recognized that section 1068 (b) seeks to remove such onerous encumbrance; however, during the early 1900's and up to 1925, many gas and oil leases were negotiated in this county most of which, as a matter of legal record title, still are outstanding. It would seem that such would nullify the intention of the Congress and spirit of the act, whereas with the special act no such problem would arise.

3. Finally, and perhaps most important, the general act provides for a payment of no less than \$1.25 per acre, indicating that there is no top limit to the purchase price. It is recognized that section 1068 (a) requires appraisal and that the Secretary shall recognize the equities of the applicant, but it is felt that such, being vague, indefinite, and uncertain leaves too much room for possible high charges. Since the title to most of the lost lands is acquired through inheritance, it is difficult to foresee what the applicant's equities would be, thus leading to an assumption that he might well be called upon to pay a full price. Under the special act the only price is \$1.25 per acre. With such a definite and stated figure the individual is immediately apprised of the cost of the patent, thus assisting him in a final determination and facilitating final sales prices, and of considerable importance to the Government in eliminating speculation or extraordinary services and costs in connection with the appraisal. It is the consensus of opinion that a definite figure could be stated in the act itself rather than leaving the same to mathematical computation based upon nebulous equations.

The undersigned are also of the opinion that the special act should be extended for at least 5 years, and preferably 20 years. Experience has proven that these patent claims come to light only through happenstance or fortuitous circumstances. For the most part the record title holders are ignorant of the patent defect. Such happenstance generally is in the form of either a probate proceeding, wherein the land is sold, or by a sale when the title holder has neither a desire to continue farming nor heirs to inherit the land. Obviously it is impossible to say when such will occur, within a year or even within 20 years. Nevertheless, because of the extreme importance of the matter to the individual and its relative unimportance to the Government, it is felt that the special act should be continued until all lost lands, estimated at about 500 acres, are accounted for in this county which would seem to occur within 5 years, and likely to happen within 20 years.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SECREST for Friday July 2 to Wednesday, July 7, on account of official business.

Mr. MULTER for Friday, July 2, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. EVINS.

Mr. DIES.

Mr. HOWELL and to include extraneous matter.

Mr. HARRISON of Wyoming.

Mr. SIEMINSKI.

Mr. CROSSER on the subject the Development of Parliamentary Government.

Mr. O'HARA of Illinois and to include extraneous matter.

Mr. O'NEILL in four instances.

Mr. VAN ZANDT and to include extraneous matter, which is estimated by the Public Printer to cost \$425.

Mr. ENGLE (at the request of Mr. PRIEST) and to include extraneous matter.

Mr. SHEEHAN.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9315. An act to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States;

H. J. Res. 552. Joint resolution making temporary appropriations for the fiscal year 1955, and for other purposes; and

H. J. Res. 553. Joint resolution to amend the act of June 30, 1954 (Private Law 495, 83d Cong.).

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, a bill and joint resolution of the House of the following titles:

On July 1, 1954:

H. R. 8149. An act to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes.

On July 2, 1954:

H. J. Res. 553. Joint resolution to amend the act of June 30, 1954 (Private Law 495, 83d Cong.).

THE LATE HUGH A. BUTLER

The SPEAKER. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Speaker, once more I am compelled to arise and announce the death of a great Nebraskan who served in this Congress. If ever I made a statement under emotional strain it is now. Nebraska's senior Senator, the Honorable HUGH A. BUTLER, died last night at the Bethesda Naval Medical Center at about 11:30.

When we say that we have lost a great and good man we make an understatement. Nebraska has produced only one HUGH BUTLER. He was a great citizen, a great civic leader, a great philanthropist, a great churchman, and a great statesman.

Senator BUTLER was born in Missouri Valley, Iowa, on February 28, 1878. He graduated from Doane College at Crete, Nebr., in June 1900. For the next 8 years he engaged in his profession, that of a construction engineer, for the Burlington Railroad. Since 1908 until his election to the United States Senate he engaged in the flour and grain business.

Every American boy and girl can take encouragement from the rise of HUGH BUTLER. He became an eminent businessman. He started out from meager beginnings. He was an example to all that certain fundamental truths, as hard work, intelligence, honesty, integrity, and character, pay.

Senator BUTLER was a successful man. He served our State in many important civic capacities, including offices in his church, district governor of Rotary International, and many other like capacities. He was made Republican national committeeman and in that capacity he proved that he was a real leader of men. His interest in good government and in the progress of the people caused men and women to follow him and to love him.

HUGH BUTLER was elected to the Senate of the United States in 1940 and took office on January 3, 1941. He was reelected in 1946 and again reelected in 1952.

Senator HUGH BUTLER was one of the most powerful men in the United States Congress. He was chairman of the Senate Committee on Interior and Insular Affairs and the ranking member on the Senate Committee on Finance. But it was not just because he held these particular posts that made him a man of influence. It was HUGH BUTLER, himself, and the confidence that he generated in those about him, his qualities of leadership and his good judgment, his sterling character and his love of his fellow men and his love of his country that gave him stature. HUGH BUTLER went about doing good. There are many individuals in Nebraska who obtained an education and started on their road of success because of the quiet help of HUGH BUTLER. For years he was an important member of the board of trustees of his alma mater, Doane College. It was dear to his heart. He was, perhaps, its greatest benefactor. Senator BUTLER and his brother, Frank, left as a memorial to their parents the Butler Memorial Library at Cambridge, Nebr., in my district. His whole life from beginning to end was one of helping people and doing good. This good and great man was needed by our State. He was needed by our country. Many of us have lost one of the dearest friends we have ever had. I recall 16 years ago last month, as a young man 33 years of age, I hunted up HUGH BUTLER. I did not know him then, but I told him I was interested in running for Congress. I shall always remember that pleasant smile, that wavy gray hair, and that interest in young men. We talked a little while and he helped me, and he helped me to the end. I have lost a friend more valuable than I can describe. Senator BUTLER is gone to a much deserved reward. His labors are over and he has entered that House

not made with hands eternal in the Heavens. His Christian faith caused him to depart from us unafraid.

I yield to my colleague, the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, it is with saddened spirits and a heavy heart that I rise today to pay tribute to a very close friend of mine, Senator HUGH BUTLER—a great statesman, a great Senator, and, above all, a great American—who died last night.

He was a driving force and an inspiration to all who worked with him or knew him.

I was shocked early yesterday morning when I learned of the Senator's illness. Late last night, as I went to his bedside, it seemed certain the Grim Reaper would soon claim my friend.

We had worked together for many years. Many evenings were spent together discussing legislation or meeting socially.

He was a rugged individual who commanded the respect of everyone. In Congress some did not agree with him, but they respected his opinions and judgment.

Truly it may be said that the death of Senator BUTLER is a great loss to the Nation as well as to the people of the State of Nebraska whom he represented so forcefully. Indeed, in these times when freedom-loving peoples everywhere look to the United States for leadership, the loss of Senator BUTLER is especially to be lamented because peace and security, and freedom and opportunity for all men of good will were uppermost in his heart and mind.

We from Nebraska fully realized his contributions because we knew him better throughout the years of his public service and his loss will be felt more keenly there.

Nebraskans knew him as a tireless worker, a good neighbor, an excellent friend, and as a person who was ever willing to give his hand to a worthy cause.

This is evidenced by his long and excellent record in civic organizations. He served as district governor of Rotary International, and was elected to serve as a member of its board.

In Omaha, his home town, he served as a member of the board of education, the YMCA board, the Salvation Army advisory board, community chest, and chamber of commerce.

In all these fields he excelled. His services on community projects were often sought and he heeded almost every call.

He was a God-fearing man and deeply religious. He served the church quite actively, being the State moderator of the Nebraska Congregational churches during 1937 and 1938.

One of Senator BUTLER's deepest loves was for Doane College at Crete, Nebr.—his alma mater. Up until the time of his death, he was the chairman of its board of trustees.

He was a self-made man who worked his way through college. On campus, he was known as a pillar of strength and force even though he was slight of build. He was determined that he would succeed.

And success was his. It did not come easy, but that is the way he liked it. He was a rugged individual, typical of the early midwesterner. He asked nothing from anyone and believed a person should earn his keep by the sweat of his brow and the strength of his back. He often told me that the best tonic for him was work.

He carried that philosophy all through life.

Early in his career, he became an engineer with the Chicago, Burlington & Quincy Railroad, but soon he transferred his efforts to the flour milling and grain business. His qualities and leadership in this field were soon recognized, and he was elected to serve two terms as president of the Omaha Grain Exchange, later was elected and reelected president of the National Grain Dealers Association.

In 1936, Senator BUTLER became Republican National Committeeman from Nebraska and served in that capacity until 1940 when he was elected to his first of three terms to the United States Senate.

HUGH was ever conscious of the individual's rights. He believed in Abraham Lincoln's philosophy of government—a government of the people, by the people, and for the people.

He carried that philosophy with him to the United States Senate.

All who knew Senator BUTLER and observed his career, especially those who worked with him, are quite capable of appraising his accomplishments on behalf of his country. To each one, some characteristic stands foremost.

For my part, his quality of leadership in public affairs and his deep devotion to God and country stand uppermost. He was a tireless worker. The day of his attack found him working diligently scurrying from the floor of the Senate, to conference, to his office and back again.

Everyone marveled at his boundless energy. At 76, he kept a pace that would have tired a less determined person.

His stamina and fortitude were matched only by his recuperative powers which were phenomenal. Only last year, he underwent a major operation, an operation that would have demanded months of recuperation for a normal person; but he was soon up on his feet and back in his office on the job.

He was acutely aware of the finances of the United States. He was fearful of what might happen if our Government were to continue deficit spending. He strongly believed in a balanced budget and worked vigorously toward that end. I mention this at this time because it is appropriate in eulogizing the late senior Senator from Nebraska. We all know that when great men die some of their objectives, some of their recommendations, have yet to be realized. So it is in regarding Senator BUTLER's effort for improvement of the legislative establishment.

One of his recommendations which has reaped dividends is the General Accounting Office. He recognized a need for a check on Government spending. Just as he was a frugal man, he felt the Federal Government should be frugal.

Senator BUTLER had an integrity, sincerity, a steadfastness and devotion to his public trust that is a living testimonial to his accomplishments. No wonder that thousands in Nebraska and the Nation pay him homage. He knew no compromise with principle. There he saw only one or two colors—black or white. It was right or it was wrong.

He never allowed fancy sophistications to dissipate his resolution to champion the right. He loathed men who were philosophically content with evil. Their tortured efforts to justify were in vain so far as Senator BUTLER was concerned. He scorned them, and saw in them nothing but the tragic prostitution of talent for ignoble purposes.

I have often felt we fail to appreciate these fine public servants who give their life that future generations might have a sound and stable government.

When a great tree falls in our yard, the landscape seems strangely vacant. So when a noble man dies, life, for those of us who remain, seems strangely empty. We who remain must still carry on—there is no letting up in the struggle for the ideals represented by Senator BUTLER and his friends until we all finally gather in that land from which there is no return.

It is difficult to give a true measure of Senator BUTLER's character, ideals, his triumphs, and his many, many disappointments in life. He started out as a poor boy, working his way through school, and rose to great heights. His is truly a Tom Sawyer-Huck Finn story of success. He came from sturdy stock.

The flags have been lowered as thousands join in the accolade paying our respects to a statesman, scholar, and friend to thousands. At the grave of our beloved friend, let us not end in sorrow for our tragic loss, but rather, let us take up the fight and carry on with the same courage and determination as Senator BUTLER has always had.

Death makes no conquest of this conqueror, for now he lives in fame though not in life.

To all his causes, he brought a fighting heart that could only be stilled by death.

Senator BUTLER was preceded in death by his wife in 1941. His two sons also preceded him to their maker—Lawrence Hugh who died in infancy and Robert who passed away at 12.

Mr. Speaker, I have lost a dear, dear friend. My State and Nation have suffered a tremendous loss. But I honor HUGH BUTLER most when I strive to do good as God leads the way.

I extend sympathy to his host of friends and relatives.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the distinguished majority leader [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I join my colleagues from Nebraska in mourning the passing of the late departed Senator BUTLER.

It was my very real pleasure not so very long ago to appear in Senator BUTLER's home State as guest speaker for the annual Founders' Day program, held this year at Lincoln.

Not the least of my enjoyment on that assignment came from an opportunity to

visit with Senator BUTLER during our train ride out to Omaha.

During my stay at Omaha and at Lincoln I was impressed with the deep respect and genuine admiration shown by the folks of Nebraska for their beloved Senator.

The widespread esteem in which he was held is understandable to all who knew HUGH BUTLER.

He was a man of great versatility, having achieved notable success in business, in politics, in service to his church, and in club work. In each of these activities HUGH BUTLER demonstrated his outstanding qualities of leadership and diligent application of energy.

HUGH BUTLER was a man of sound, well-balanced judgment—a whole man, if you please, practical yet great-hearted, humble in his achievements but with a quiet self-reliance which lent confidence to those around him.

He was a Christian gentleman, a kind and loyal friend, a sturdy champion of the kind of Americanism that has made this Nation great.

He will be sorely missed by his devoted colleagues here in the Congress, by his many, many friends and neighbors of Nebraska, and by the citizenry of a grateful Nation in whose cause he served so faithfully and so well.

I am impressed by the simple yet obviously heartfelt tribute paid HUGH BUTLER by his staff assistant who said of him, "He's just one of the finest men you'd ever know."

Certainly any man would be everlastingly proud and grateful to have that said of him.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Speaker, I want to join my colleagues in expressing my bereavement over the passing of this great Senator from Nebraska, Senator HUGH BUTLER.

The passing of Senator HUGH BUTLER comes as a great shock to us who have known him so well. It comes as a great shock to the State of Nebraska and to the Nation.

Although Senator BUTLER was born in Iowa, he spent the greater portion of his life in Nebraska. His accomplishments have been many. He was educated in Nebraska at Doane College, and because of his education there he has always had a very soft spot in his great heart for this college, and has given to it most liberally throughout his life. He has always been very much interested in education. His education was along the lines of engineering, and after graduating from school he pursued his line of education by becoming connected with the Burlington Railroad in Nebraska as a construction engineer. As a construction engineer he helped to build a number of the well-known railroads that we have in Nebraska at the present time. He was a successful engineer.

Later he decided to go into business for himself and went into the grain business. He was extremely successful as a grain dealer and a grain operator.

He was always very much interested in farming and up until the last operated a good-sized farm in the western part of Nebraska and did so successfully and

with a great deal of pride and pleasure.

With the same degree of success that he has shown in other endeavors he has displayed is the United States Senate, serving 14 successful years. A great Senator.

I think it was some 5 or 6 years ago, after I had known him for some time, when he was campaigning he came to my town and called me one evening and asked me if I would come and have dinner with him. During our conversation he mentioned several times that I should get into politics. I think probably I am in the position I am in today because of the insistence of Senator HUGH BUTLER. He has always been extremely friendly during his whole life to everyone. He seemed to have an understanding that a great many people do not have. He seemed to understand the ups and downs in the lives of people and was always willing to come to their aid whenever he could. I think probably the greatest accomplishment he rendered during his entire life was that of doing good for other people.

I think the State of Nebraska and the Nation will miss him as much as they have missed any man who has been in Congress. He has been a great Senator. We in Nebraska have been proud of him and I am sure he will be missed more than we realize here at this particular time.

Mrs. Harrison and I want to join his relatives and host of friends in their bereavement in these hours when he is so much missed.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. Speaker, from his early boyhood days, the interests and activities of HUGH BUTLER centered in and around Nebraska. Born in Missouri Valley, Iowa, he received his education at Doane College in Crete, in which institution he maintained a lifelong and generous interest. His training as an engineer called into practice in the construction of railroads. Later he operated a flour milling and grain business.

Some insight can be gathered as to his real nature and character by reason of the fact that the partnership formed when he initially went into business had a sound and prosperous history throughout its tenure. From 1918 until he was elected to the Senate, at which time the firm was dissolved so that he as Senator could devote his time to his official duties, it was the proud boast of that partnership that there never was a quarrel or dispute between the two partners, nor was there ever a time when court procedure was invoked either by or against them in any of the multitudinous business activities and transactions in which they engaged, and many of them were very extensive and of large scale. Certainly in that experience there was exemplified the rule that nothing beats fairness, even though temporary disadvantage apparently may be suffered. This business experience and its happy progress are a tribute both to our late senior Senator and to the partner with whom he was associated for so long.

HUGH BUTLER's interests were varied throughout his life. He was active in

his church work, in many civic groups, in trade associations connected with his business directly as well as indirectly. And he found especial satisfaction in the encouragement and fostering of higher education. This he did not only by generous financial contribution, but likewise by the tremendous power generated from the personal and moral support which he gave to his alma mater, Doane College. In spite of the many cares and official duties which he had, many were the occasions when he attended trustee and committee meetings—often at a great deal of personal sacrifice in time and in travel discomfort. The Christian spirit of HUGH BUTLER will live for a long, long time within the souls of that institution and in the hearts and minds of many young men and young women who have been the recipients of the type of wholesome education which he, in large measure, inspired and made possible.

His record in the Senate of the United States has been an outstanding one. The clarity of thought and the stability which marked his consideration of measures and decisions have been outstanding. The place accorded him in party councils, as well as in Senate deliberations, shows that the principles which governed him in all the aspects of his life's work were well applied and highly appreciated in his work as a United States Senator.

Unfailingly loyal to Nebraska and its interests at all times, he was keenly aware of the fact that he represented an entire Nation. Without, in any way, minimizing his representation of his own State there was always uppermost in his mind "one Nation, under God, indivisible, with liberty and justice for all."

By example and by deed, oftentimes unnoticed and without credit extended, he has lived a full and a useful life.

It was my good fortune to count him as one of my closest and most loyal personal friends. In common with innumerable others, there is a sense of loneliness and aloneness which pervade my feelings today as a result of his passing.

Yet, all of us can take comfort in the fruitfulness of his years, in their fullness, and in the constant striving on his part toward and in the attainment in such large degree of the best in American citizenship and the highest in the brotherhood of man.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the distinguished minority leader [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, while it was not my pleasure, one denied to me, to know Senator BUTLER closely, nevertheless, during the years he served in the United States Senate and I have served in this body, we contacted each other on a number of occasions. Of course, the Members of one body keep in touch with the actions of the membership of the other body. So I feel I knew him rather well.

I had profound respect for Senator BUTLER. He was a man of deep faith, of deep convictions and sincerity of purpose. He was a man who had lived not only a good life but an active life. He was a man who contributed to life. He was a builder, not one who thought

that life owed him a living but one who felt it was his duty to make contributions toward progress and toward the betterment of our country and of our people.

I know I speak the sentiments of my colleagues on the Democratic side—I am not confining my sentiments to the Democratic side, but I know I express the sentiments of my colleagues in the House on the Democratic side when I extend to the people of Nebraska, to the Nebraska delegation in the House and to the loved ones of the late Senator BUTLER our profound sympathy in the great loss they have sustained in the passing of this distinguished gentleman and this outstanding legislator. His outstanding record during the past 14 years has been referred to. His death is all the more saddened because in the world of today we need legislators, particularly in the Congress of the United States, who are experienced, who have risen to positions of responsibility in the branch of Congress of which they are a member, and certainly Senator BUTLER's 14 years of service gave him unusual experience to make further contributions to the safety of our country, particularly in these trying days, as well as to the progress of our people.

He was a good man. I think that is about the finest characterization that anyone can give to another, that a person is a good man or a good lady. His life, as I said, has been one of fruitful contribution, and the light from the candle of his life will always shine because his good deeds will always be remembered.

I again extend to my colleagues of the Nebraska delegation, to the people of Nebraska, and particularly to the loved ones of the late Senator that he left behind, not only my own profound sympathy but the sympathy of my colleagues in this branch of the Democratic Party.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I was deeply shocked to hear the information a few minutes ago of the passing of our friend, Senator BUTLER of Nebraska. Long before I came to Congress and before Senator BUTLER came to the Senate, he attained great stature in the business world in our neighbor State in the Midwest. His leadership as a businessman was truly outstanding. I knew him even better in his leadership in my church, the Congregational Church, in which he served as State moderator in 1937-38. I also knew him in the Rotary Club, where he served with distinction as district governor of Rotary International. Then I knew him well also as national Republican committeeman for the State of Nebraska from 1936 until 1940. On his coming to the Senate in 1940 I again became well acquainted with him in the affairs of state, through his work for the Committee on Interior and Insular Affairs and my own work in that field, with special reference to the problems of our national defense program; again during his service on the Committee on Finance which is so closely related to the work of the

Committee on Ways and Means on which it has been my privilege to serve during the past 8 years. I came to know him especially well through his close association with my colleague on the Committee on Ways and Means, the gentleman from Nebraska [Mr. CURTIS]. We found many points in common in our efforts to build this Nation strong in its economy and in its fiscal structure. Above all of that, I learned to look to Senator BUTLER as a great leader in religious lines, because he recognized spiritual leadership as the greatest factor underlying this Nation as did our forefathers in founding it and carrying it on and establishing it as we know it today. All of these factors have added up to a magnificent contribution by Senator BUTLER.

We honor his memory for what he did to make this Nation a greater and a stronger Nation for those who follow us. I take this opportunity to express my great admiration for him and for what he has done.

Mr. CURTIS of Nebraska. Mr. Speaker, I ask unanimous consent that all Members who desire to extend their remarks on the life and services of the late Senator BUTLER of Nebraska may have permission to do so at this point in the RECORD.

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

There was no objection.

Mr. FERNOS-ISERN. Mr. Speaker, the flags at half-mast at the Capitol indicate, most properly, that the passing of Senator HUGH BUTLER, is mourned most deeply, by the entire Nation. The State of Nebraska has again suffered a great loss. The noncontiguous areas of the Nation, in which the Senator took such great interest, also must suffer this loss very deeply. For many years benevolent effects and advancements, largely the results of his statesmanship, will be felt in those areas. Senator BUTLER personally visited all of the overseas areas of the United States, observed at first-hand their problems, and then did his best to solve or help solve these problems as he saw them.

As chairman of the Senate Committee on Interior and Insular Affairs, Senator BUTLER felt a great responsibility to the United States citizens, resident many thousands of miles away.

As to the people of Puerto Rico in particular, those I represent, I must say that they have lost a true and constant friend in the passing of the great Senator. He took an interest which seemed almost personal in obtaining for them the full self-government so necessary for the dignity of man and which they now enjoy in the Commonwealth.

In the 80th Congress, Senator BUTLER introduced and sponsored in the Senate, legislation to permit Puerto Rico, for the first time, to elect its own Governor. In the 81st Congress, Senator BUTLER was an active sponsor of what became Public Law 600 which authorized the organization of a constitutional government by the people of Puerto Rico, and in the 82d Congress, he helped obtain Senate approval of the constitution of the Commonwealth of Puerto Rico which resulted in the creation of the Commonwealth.

The whole world has focused attention on the creation of the Commonwealth of Puerto Rico as one of the most promising and inventive political creations in history. It is no wonder that Puerto Rico's heart is heavy today.

But he interested himself not only with the bigness of things. I recall how distressed he was with a tiny hospital in Charlotte Amalie, St. Thomas, V. I., and how he worked that the people of that little community might have better hospital facilities. Yes; the people of Puerto Rico have lost a dear friend as have the people of Hawaii, Alaska, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific—as have the people of Nebraska—as have the people of the entire United States.

Senator BUTLER was a kind and quiet man; albeit he was a tower of strength in the United States Senate. When I arrived in Washington by the end of 1946, to fill the unexpired term of my predecessor, Congress had already adjourned; so it was not until the 80th Congress that I really had the opportunity to work with the Members of Congress and with the Senate. One of the very first friends I made here, a solid one upon whom I was to lean heavily during the ensuing years, was Senator BUTLER. He was never too busy to consult on a matter important to Puerto Rico, nor to help all he could. He never once failed the people of Puerto Rico. He never once failed me. During my absence from Washington, the great Senator was as available to members of my staff as he was to me.

I think I have never known a kinder person nor a stronger one. I feel deeply a personal loss, although I know that Senator HUGH BUTLER's monuments are many, and that his light will shine eternally in the sunlit fields of Nebraska, in the blue waters of the Caribbean, in the woodsy wilderness of Alaska, and the golden sands of Hawaii—and throughout the hundreds of islands in the great Pacific.

THE LATE HONORABLE HUGH BUTLER OF NEBRASKA

Mr. CURTIS of Nebraska. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

House Resolution 611

Resolved, That the House has heard with profound sorrow of the death of Hon. HUGH BUTLER, a Senator of the United States from the State of Nebraska.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of seven Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following Members on the part of the House to attend the funeral: Messrs. CURTIS of Nebraska, CLEVENGER, JENSEN, MARTIN of Iowa, MILLER of Nebraska, HARRISON of Nebraska, and HRUSKA.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 37 minutes p. m.), under its previous order, the House adjourned until Tuesday, July 6, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1684. A communication from the President of the United States, transmitting a proposed supplemental appropriation in the amount of \$60,000 and a draft of a proposed provision for the General Services Administration for the fiscal year 1955 (H. Doc. No. 459); to the Committee on Appropriations and ordered to be printed.

1685. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955 in the amount of \$350,000 for the Department of Labor (H. Doc. No. 460); to the Committee on Appropriations and ordered to be printed.

1686. A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$9,296,561, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (H. Doc. No. 461); to the Committee on Appropriations and ordered to be printed.

1687. A letter from the Secretary of the Treasury, transmitting a copy of the Charter of the Federal Facilities Corporation created under the authority of Executive Order No. 10539 and section 10 of the Rubber Act of 1948; to the Committee on Armed Services.

1688. A letter from the Secretary of Commerce, transmitting the sixth interim report of the Weather Bureau, entitled, "Causes and characteristics of thunderstorms and other atmospheric disturbances," pursuant to Public Law 657, 80th Congress; to the Committee on Interstate and Foreign Commerce.

1689. A letter from Louis W. Prentiss, representative of the United States in the compact negotiations, transmitting copies of the report on the proposed Sabine River compact between Louisiana and Texas and also copies of the Sabine River compact entered into by the States of Louisiana and Texas, pursuant to Public Law 252, 82d Congress, approved November 1, 1951; to the Committee on Interior and Insular Affairs.

1690. A letter from the Assistant Secretary of the Interior, transmitting a letter dated October 30, 1953, to Mr. Paul L. Danford which will, when approved by the regional director, region No. 4, National Park Service, renew for a period of 1 year from January 1, 1954, concession permit No. 14-10-447-81, under which Mr. Danford is authorized to operate a cabin camp, store, gasoline station and picnic facilities, known as Staircase Resort, within Olympic National Park, Wash.; to the Committee on Interior and Insular Affairs.

1691. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Messrs. James and Louis Whittaker, which will, when

approved by the regional director, region No. 4, National Park Service, authorize them to conduct a professional guide service in Mount Rainier National Park, Wash., for the period May 30 to September 6, 1954; to the Committee on Interior and Insular Affairs.

1692. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Mr. D. Labe Myers which will, when approved by the regional director, region No. 1, National Park Service, authorize the sale of firewood at the Cades Cove public campground in Great Smoky Mountains National Park, Tenn., for the period May 1, 1954, through October 31, 1954; to the Committee on Interior and Insular Affairs.

1693. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession contract to Mr. Eugene E. Gillette, which will, when executed by the regional director, region No. 2, National Park Service, on behalf of the Government, authorize Mr. Gillette to operate a service station at Moose, Wyo., in Grand Teton National Park, Wyo., for a period of 5 years from November 1, 1953; to the Committee on Interior and Insular Affairs.

1694. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Armed Services. S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; with amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4118. A bill to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands; with amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; without amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the State of the Union.

Mr. JUDD: Committee on Foreign Affairs. Report pursuant to House Resolution 113, pertaining to special study mission to southeast Asia and the Pacific; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 8155. A bill to continue until the close of June 30, 1955, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 7924. A bill for the relief of Giuseppe Clementi; with amendment (Rept. No. 2020). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7925. A bill for the relief of Mrs. Dina Mianulli (nee Kratzer); with amendment (Rept. No. 2021). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8334. A bill for the relief of Helmut Cermak and Hana Cermak; without amendment (Rept. No. 2022). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONAS of Illinois:

H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 9786. A bill to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo May 9, 1952, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ALLEN of California:

H. R. 9787. A bill to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo May 9, 1952, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOWELL:

H. R. 9788. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. LOVRE:

H. R. 9789. A bill to modify the comprehensive plans for flood control in the Missouri River Basin to provide for the inclusion in such plans of adequate water supply and sewage facilities at Pollock, S. Dak., to replace the facilities located in such town which are to be abandoned as a result of the construction of the Oahe Dam and Reservoir; to the Committee on Public Works.

By Mr. MEADER:

H. R. 9790. A bill to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 9791. A bill to authorize the appointment of female nurses in the National Guard of the United States and in the National Guard of each State, Territory, and the District of Columbia, and for other purposes; to the Committee on Armed Services.

By Mr. PELLY:

H. R. 9792. A bill to amend section 115 of the Internal Revenue Code in respect of distributions in kind; to the Committee on Ways and Means.

By Mr. RADWAN:

H. R. 9793. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate

expansion of employment through investment; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 9794. A bill to fix the fees payable to the Patent Office, and for other purposes; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 9795. A bill to increase the rates of basic pay and certain allowances prescribed by the Career Compensation Act of 1949 for members of the uniformed services; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H. R. 9796. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. WARBURTON:

H. R. 9797. A bill to amend section 162 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. YOUNG:

H. R. 9798. A bill to amend Public Law 815, 81st Congress, in order to extend for an additional year the program of assistance for school construction in federally affected areas; to the Committee on Education and Labor.

By Mr. JOHNSON of Wisconsin:

H. J. Res. 554. Joint resolution to provide for a study and investigation of certain practices in the retail distribution of fluid milk to determine whether such practices are in restraint of trade or otherwise in violation of certain other laws of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. J. Res. 555. Joint resolution to limit the authority of the Atomic Energy Commission to contract for electric power; to the Joint Committee on Atomic Energy.

By Mr. RADWAN:

H. Res. 612. Resolution providing for the consideration of H. R. 9020 to provide increases in the monthly rates of compensation and pension payable to certain veterans and their dependents; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BROOKS of Louisiana: Memorial relative to memorializing the Congress of the rescinding of house concurrent resolution No. 24 of the State of Louisiana Legislature held in 1950; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to the rescinding of house concurrent resolution No. 24 of the State of Louisiana Legislature held in 1950; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Commonwealth of Virginia, memorializing the President and the Congress of the United States relative to the Commonwealth of Virginia and the Commonwealth of Kentucky having executed a compact relating to the Breaks Interstate Park, pursuant to Public Law 275, 83d Congress; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 9799. A bill for the relief of Mr. and Mrs. George Holden; to the Committee on the Judiciary

By Mr. DONOVAN:

H. R. 9800. A bill for the relief of George and Maria Bonto; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 9801. A bill for the relief of Agop Nezamian; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H. R. 9802. A bill for the relief of Elfrieda Haberl and her children, Frank Haberl and Rosemary Haberl; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H. R. 9803. A bill for the relief of Ying Kie Mok; to the Committee on the Judiciary.

By Mr. SHORT:

H. R. 9804. A bill to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H. R. 9805. A bill for the relief of Heinrich Wolfgang; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1085. The SPEAKER presented a petition of the secretary, the Association of American Geographers, Washington, D. C., recommending that the necessary action be taken on pending legislation which would pay the United States quota to the Pan American Institute of Geography and History according to the quota basis established at the General Assembly of the Institute in Santiago, Chile, in 1950, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Bituminous Coal Industry: Its Position, Problems, and Areas of Possible Relief

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. VAN ZANDT. Mr. Speaker, on June 29 a delegation composed of Members of Congress and representatives of the bituminous coal industry visited the White House for a conference with President Eisenhower.

The congressional delegation included Senator JOHN S. COOPER, Kentucky, and Representatives RICHARD M. SIMPSON, LOUIS E. GRAHAM, LEON H. GAVIN, JOHN P. SAYLOR, and JAMES E. VAN ZANDT, all of Pennsylvania; and Representatives WILL E. NEAL, West Virginia, and WILLIAM C. WAMPLER, of Virginia.

The following statement describing the coal industry, its position, problems, and areas of possible relief was presented to the President and was the subject of discussion during the 30-minute conference.

We in Congress who represent the bituminous coalfields were very much impressed with the President's willingness to consider the problem and his declaration of intention to appoint a high-level committee to study the subject.

Following is the statement presented to President Eisenhower:

THE COAL INDUSTRY: ITS POSITION, PROBLEMS, AND AREAS OF POSSIBLE RELIEF

I. COAL IS VITAL

(a) To the economy of the United States. Coal is produced in about 28 States. The physical volume of output is huge. It employs hundreds of thousands of people directly and many more indirectly. It is a substantial customer of the railroads and furnishes the most profitable traffic hauled by them. It, and its employees, constitute a large market for the products of farms and factories, outside of the coal fields. In many States, such as Pennsylvania, West Virginia, Kentucky, Ohio, Indiana, and Illinois, coal is the base of the economy of very large areas. Without a substantial market for coal, many of these areas cannot exist except as a wilderness.

Coal supplies important needs. It makes possible our steel industry, which, in turn, makes possible our oil and gas industries, and all steel-using industries. It supplies fuel for many huge powerplants generating elec-

tricity. It furnishes chemicals which are processed into thousands of everyday necessities. It furnishes steam for many industrial and commercial establishments. It warms millions of homes. It can be converted into gas for use in homes and factories. It can be stored cheaply in huge piles at the point of use. It exists in large quantities and its reserves guarantee it a long life compared to low reserves and short lives for oil and gas. Per dollar of value, it supports more persons than any other fuel industry. In short, it is a necessity which this country cannot do without.

(b) To the defense of the United States.

Coal is essential to the production of our most important munitions of war. They require steel, which requires coal. Aircraft engines, tanks, ships, trucks, guns, shells, landing field mats, steel rail, bridges, bulldozers, jeeps—all require coal. The liquid fuels in ships, aircraft, and motor vehicles come from wells drilled with steel rigging, pipe and machinery, transported in steel pipes or tankers, refined in steel refineries, and delivered in steel trucks. The use of steel, and of coking coal, expands sharply during war, but coke ovens, blast furnaces, coal mines, coal cars, freight engines, etc., cannot be built quickly during war and then only at the expense of other uses.

Coal also provides the power for electric utilities and for vital industrial plants, and is used extensively for heating of homes, schools, buildings, and factories.

Coal must also, in time of war, take over the markets supplied by residual oil. Imported residual oil disappears when war comes and utilities, industries, commercial establishments, and other users of residual oil must change to coal. The same is true to a lesser extent with respect to heating and diesel oils, which rapidly become scarce when war comes. During the last war coal expanded its output by more than 50 percent without Government subsidy, by attacking coal lying near the surface with stripping shovels. But the big reserves of easily mined strip coal are no longer available and the time lag in expanding coal production will be much longer next time. The country simply cannot reduce capacity too much without running grave risks.

In brief, this country cannot fight a war of any duration without a developed and functioning coal industry able to take over the war load without delay.

II. THOUGH THE MOST EFFICIENT IN THE WORLD, COAL IN THE UNITED STATES IS AN ACUTELY SICK INDUSTRY

(a) Energy market is increasing sharply.

The market for energy is growing rapidly. It is growing at a more rapid pace than the increase in population. The use of mechanical energy is an index to productivity. The outlook is for continued increases.

The energy market includes liquid fuels used in internal combustion motors. Coal is normally not competitive with such liquid fuels. However, excluding liquid fuels from

the energy markets, the growth of the remaining energy market is spectacular and all projections point to continued growth.

(b) Percentage supplied by coal is decreasing; production has dropped by one-third.

If coal retained its share of the energy market in which it should be competitive, the production of coal would be steadily increasing. Unfortunately coal has not held on to its percentage of the energy market. The percentage of the market supplied by coal has been steadily decreasing and at a rate much faster than the increase in the total use of energy.

Since 1948 coal production has dropped over 200 million tons, a quantity of vast size. This is about one-third of the peak production of recent years and more than one-half of the current production.

The markets lost by coal have gone to hydroelectric power, largely Government financed, petroleum and natural gas. There is an immediate threat of invasion of the energy market by a new competitor—atomic energy.

(c) Many mines are closing, with losses to owners, employees, local communities, and the public generally.

The results are everywhere apparent. Many mines are being abandoned. Unemployment and hard times have appeared in the coal-producing regions. Employees of skill and ability are being discharged. Idle men are everywhere, buying has dropped, collections are difficult, unemployment claims mount, and the relief load overwhelms Federal and local facilities. More and more miners' dwellings are vacant and are rapidly deteriorating into firewood. In short, an acute depression has reared its ugly head. The monetary and social costs are catastrophic.

The damage is not confined to the immediate coal-producing areas. Other areas of the Nation are hurt by the reduced consumption in the coal-producing regions of food, clothing, furniture, autos, gasoline, mine supplies, explosives, electricity, and other goods and services.

(d) Railroads are suffering from loss of coal traffic.

Coal has always been the most profitable traffic hauled by railroads. The declining volume of coal moving by rail has caused a sharp drop in the revenue from freight handled and in net operating income. But when coal output declines, other traffic likewise declines. Railroad men are discharged from repair shops and maintenance-of-ways forces, empty coal cars and freight cars are stored on idle tippie tracks. The basic transportation system of the country is adversely affected by anemia of revenue-paying freight.

III. AREAS OF POTENTIAL GOVERNMENT HELP

(a) Foreign:

(1) Limit imports of foreign residual oil. Imported residual oil is doing great harm to the coal industry. The damage is felt

most directly in the steamplants along the Atlantic seaboard.

It is not contended by the coal industry that all of its troubles can be blamed on the importation of foreign residual oil. The dieselization of railroad locomotives has taken a very profitable market from coal in the amount of 100 million tons annually, or 20 percent of the normal annual output, and there is little that the Government can do to restore this market. Also natural gas has replaced coal in many industrial, commercial, and household uses; and the coal industry does not expect the Government to plug up the pipelines in order to help coal. But there is no compelling necessity for this country to continue to import ever-increasing quantities of residual oil, when the effect is to deprive coal of a market it sorely needs.

The effects of competition from foreign residuals are felt through the country, as coal which would normally serve the steam plants on the Atlantic seaboard is offered in the inland markets. These markets are already adequately served by other coalfields which cannot serve the seaboard plants. The steam sizes eliminated from the seaboard markets are the very small sizes which are produced simultaneously with coarse sizes as part of the mine run output. If the small sizes cannot be sold, then the coarse sizes, for which there may be a market demand, will not be produced. The loss of markets for the small sizes reduces the supply of coarse sizes and raises the price thereof. The coarse sizes then become more vulnerable to oil and gas competition. For every ton of small sizes produced a ton of coarse sizes is simultaneously produced. Therefore a loss of 25 million tons of steam sizes means a total potential loss of 50 million tons of all sizes.

The oil importers say that this country needs to import residual oil to meet a shortage in this country. The answer to this argument is that it is not so.

Domestically produced residual (whether produced from domestic or imported crude) is adequate in quantity to serve the needs of those domestic consumers who cannot efficiently use coal. And if the domestic demand for residual should increase beyond the supply, domestic refineries can, by adjustment of their plant processes, increase the output of residuals.

Coal producers have not asked for an increase in tariff rates on imported residual oil because such residual oils are a waste product from inefficient refineries and are customarily sold at fixed differentials under the equivalent price of coal. Therefore, tariff rates, unless prohibitively high, will not reduce the supply, but will only reduce the price going to the importer.

Nor have coal producers asked for any limitation on the quantities of foreign crude oil brought into this country to be refined in domestic refineries. Domestic refineries are efficient and are trying to get maximum production of high-priced products. They do not engage in the destructive competition offered by imported residuals.

It should be recalled that during World War II the supply of foreign residual oil suddenly disappeared and coal was compelled to take over and supply the users of residual oil, which it did without causing the shutdown of a single oil burning steam plant. This performance could not be repeated because a large part of the increased output of coal during World War II came from strip mines and easily stripable coal has been largely exhausted. This country cannot afford to take the risk of shutting down the large public utility plants generating electricity for vast metropolitan and industrial areas because of lack of fuel.

If the exclusion of foreign residual oil is impossible of attainment, and alternative means to the same end is a subsidy on freight

rates to the big consumption points on the seaboard.

Other countries are extremely solicitous of the welfare of their domestic coal industries. It is odd indeed that in the United States this basic industry should be considered either as expendable or as a standby industry, to be called on only in cases of extreme national crisis.

(2) Aid more efficient refining of Venezuelan oil which will reduce residual output.

The bulk of imported residual oil comes from Venezuela and from refineries located in the Dutch Antilles which process Venezuelan crude. While Venezuelan crude averages heavier in gravity than domestic crude, and therefore will normally produce a greater percentage of residual from the same refining processes, yet it is shockingly inefficient. The residual yield, according to most recent Bureau of Mines figures, is 63 percent of total refinery production. The yield in domestic refineries is now less than 19 percent and it is steadily declining. With equivalent refining processes, the yield of Venezuelan residual should be about 25 percent. But the refining processes actually used are largely skimming processes.

The Venezuelan Government wants more efficient refining in Venezuela of crude produced in Venezuela. But the refiners are dragging their feet. Undoubtedly, the fear of expropriation on unfair terms is the cause of this reluctance.

More efficient refining would benefit everybody and would reduce waste of a great natural resource, oil, which is relatively short on reserves. The United States has a tool at hand for meeting this problem in the form of a guaranty of investments in Venezuela and in the Dutch Antilles in improved refining facilities. This tool is used for other industries and there is no reason why it should not be used in this situation. Ultimately it would largely solve the problem of reducing the supply of residuals for importation into this country.

The oil importers and the Department of State both contend that it would be hurtful to our foreign trade if quota restrictions should be imposed upon imported residual fuel oil. It has been stated that Venezuela in particular, would be adversely affected and would, as a consequence, be less friendly to this country and would buy less manufactured products from this country.

When the extreme prosperity of Venezuela is contrasted with the acute depression now prevalent in the coal fields of the United States, one may wonder whether such an argument has any relevance. It may be pointed out that Venezuela has a population of only about 5 million people and that at least 5 million people in the United States are directly or indirectly dependent upon the prosperity of the coal industry. As to numbers of people affected there is certainly a standoff.

Therefore, if a choice has to be made between the protection of the domestic coal industry and the protection of the wasteful refining of Venezuelan oil which is imported into this country, it would seem that the domestic coal industry has the preferable right in its claim for protective action by the United States.

(3) Require European governments to remove import restrictions which discriminate against United States coal.

American coal can now be laid down in European ports at a delivered price lower than the price for European or British coal. One would assume that the volume of American coal exported to Europe would increase. Instead, it has dropped appreciably. The reason is that various kinds of currency and license restrictions have been imposed which effectively bar American coal.

We can of course object to any restrictions which keep out our coal when we have no restriction on coal imports in this country. But, a more forcible objection can be made

to restrictions of European countries which purport to deal alike with exporters from all countries but which in fact discriminate against American coal. For example, West Germany is currently denying licenses to import American coal. But, American coal is going to West Germany by subterfuge. A West German importer will arrange for a shipment of American coal to move to the Netherlands. Upon arrival an import license is issued showing the coal to be of Dutch origin and it then moves in the original vessel to a West German port. The German importer makes a substantial margin which the American exporters would be glad to pass to the West German consumer if they could deal directly. This kind of discrimination is especially obnoxious and cannot be founded on any desire to protect the West German coal producers.

The United States can use its good offices to object to such discriminatory restrictions and to procure the removal thereof.

(4) Guarantee market for foreign currencies paid for United States coal.

Some countries do not buy American coal, even though it is cheaper, because of difficulty in obtaining American dollars. This problem has faced other depressed domestic industries and it has been met by guarantee by the United States of a market, at a fixed price, for the foreign currencies taken in payment for United States coal. Such a market is maintained for foreign currencies received for agricultural products exported by United States producers. No reason is apparent here why a similar guaranteed market should not be maintained for exporters of American coal.

(5) Limit imports of Canadian natural gas—support S. 1287 (Hunt bill).

Immense natural gas fields are being developed in western Canada, particularly in Alberta and Saskatchewan. Such gas will shortly be piped to eastern Canada. Spurs from the pipeline will run into markets for coal. The Hunt bill, S. 1287, is designed to limit such importation. Enactment of the Hunt bill would furnish a substantial protection of their existing markets for domestic coal producers. The executive branch should support the enactment of such bill.

(6) Carefully appraise financing or aiding foreign coal developments.

As a matter of policy in building up friendly countries, the United States has furnished funds and experts for the purpose of aiding foreign coal developments. The success of such work is detrimental to the exportation of American coal. The time has come for the United States to consider whether it prefers to continue its program of development of foreign coal reserves at the expense of the welfare of the domestic coal industry.

(7) Limit inimical effects of St. Lawrence Seaway and similar projects.

The St. Lawrence Seaway is now assured. In a few years, ocean shipping will come into the heart of the industrial United States where large quantities of coal are used. The lake market is essential to the continued life of many of the important coal-producing regions. But, the seaway will also bring into this territory foreign crude oil and fuel and heating oils, which will deliver at prices coal cannot meet. Thus, this long-sought development will definitely harm the coal industry.

The Government has a moral obligation to see that the general benefits of this improvement are not purchased at the expense of a small part of the economy. Cheap fuel and heating oils from abroad should be denied entrance to the Great Lakes, if they will reduce production of coal below the minimum necessary to preserve the Nation's safety and welfare.

(8) Subsidize the building and operation of colliers for use in foreign trade.

This Government has for many years subsidized the building and operation of mer-

chant shipping engaged in carrying passengers and general cargoes in foreign trade. It also subsidizes the construction of tankers handling oil. But it does not subsidize the construction or operation of colliers.

The Government should extend its subsidy policy to colliers. By so doing it will greatly aid the coal industry in developing foreign markets for coal now closed to it because of the lack of efficient colliers and because of the lack of stable freight charges.

(b) Domestic:

(1) Protect coal from excessive natural gas competition.

The use of natural gas has expanded rapidly in the past and continues to expand. It has taken markets previously served by the coal industry, and the losses sustained by coal from natural gas competition are extremely large. The fact is that natural gas is cheaper in many market areas on a heat equivalent basis than either coal or oil. Considering the advantages inherent in gas, it should sell at a higher price on a heat equivalent basis than either coal or oil.

The maintenance of such low delivered prices has built up the demand for gas at a rapid rate, which of course will mean a much earlier exhaustion of the supply than would be the case if gas sold at competitive levels. The policy of the United States, therefore, should be to take such steps as would bring the delivered price of gas up to levels where it would compete on a fair basis with the price of coal and of oil.

If this policy should be placed into effect, some changes in the Natural Gas Act will be required. They would be designed to permit producers to sell gas to the transmission companies at market levels without interference from the Federal Power Commission, to accord to transmission companies the current market value of gas produced by them when fixing rates at which such gas would be resold, to encourage the States to adopt conservation measures in connection with the production of natural gas, and to require the Commission to take into consideration the welfare of the coal and oil industries and the railroads in granting applications for certificates of public necessity and convenience in the building of new lines or in enlarging the capacities of existing lines. Government policy should also be directed to applying natural gas to those uses to which it is most peculiarly adapted so that uses which can just as well be served by more plentiful coal should be preserved to coal. Transmission companies have been financed on extremely thin equities and Government policy could insist upon more equity money for the protection of the integrity of the investment. Safety in construction and operation of pipelines and the promotion of underground storage fields (but in such manner as not to present hazards for coal mines and other underground operations) are subjects in which the United States should be interested.

The basic policy to be served is that of conservation of both gas and coal.

If the course of action suggested with respect to gas is not acceptable, another means to the same end would be to subsidize freight rates on coal so that coal could be delivered to points of use at prices competitive with the delivered price of natural gas. The total amount of such a subsidy would not be large in terms of the total current budget and it could be reduced as the price of gas rises.

Precedent for this suggestion exists in Canada. Besides imposing an import duty of 50 cents per ton on United States coal, Canada also subsidizes freight rates on Canadian coal up to \$2.50 per ton, thereby giving its coal producers \$3 per ton advantage in competing with United States coal in Canadian markets.

The United States has not announced a policy of opposition to these handicaps imposed by Canada on United States coal, and

is, therefore, free to adopt the same policies if it wishes so to do.

(2) Require use of coal, where available, in Government buildings and installations in the United States and overseas.

The United States is itself a large consumer of coal in installations owned or operated by the Government both in the United States and overseas. As a consumer, the United States can exercise its own choice as to fuel. It should give consideration to the adoption of a policy of favoring the coal industry in all Government buildings and installations, where coal is available. A notable example of the lack of a fixed policy of this sort may be seen at Oak Ridge, Tenn. The AEC plant at Oak Ridge is located in the heart of east Tennessee coal field and can be served both by rail and truck-delivered coal. It can store its supplies of coal so as to be protected against every reasonable emergency. Yet it is consuming large quantities of relatively scarce natural gas as boiler fuel. This simply does not make sense.

Doubtless many other instances of similar character could be found if a survey of Government buildings and installations were made.

(3) Sponsor policies to limit freight rates on coal.

The delivered price of coal is made up of the price charged at the mine plus the cost of transportation to market. It is not infrequent for the freight rates on coal to exceed the mine price. In all cases, the freight rate is a very large element in the total delivered price. In recent years the freight rates on coal have been steadily increased in various general rate increase cases before the Interstate Commerce Commission. The coal industry has fought every single increase on the ground that, if effected, the markets for coal would be reduced and the quantities of coal handled as revenue freight by the railroads would be reduced. Unfortunately, the predictions made have been realized. Coal is the most profitable traffic ordinarily handled by railroads. It is believed that it should be the policy of the United States to limit increases on freight rates on coal permitted by regulatory bodies such as the Interstate Commerce Commission. Certainly, the losses incident to handling passengers and short-haul traffic should not be imposed on coal. The revenue needs of the railroad should not be paramount to the needs of the coal industry. (For further discussion see appendix A.)

(4) Finance research to promote use of coal.

One method of aiding the coal industry is to find new profitable uses for coal. Such uses, of course, come as a result of expensive research. The coal industry operates on such a low profit level that it cannot afford to finance expensive research projects. The United States has done some research but has recently reduced the funds supplied for this purpose. An enlarged research program worked out in cooperation between the Government and the coal industry and directed to the finding of new and profitable uses for coal, would appear to be needed.

(5) Reexamine official lending policies to promote use of coal where feasible.

The Government is engaged in many different fields in lending money. In making loans, it frequently stipulates conditions. It should give consideration to the adoption of conditions which would require the use of coal where feasible.

The Government should also examine existing rules for the purpose of eliminating regulations which discriminate against coal. For example, the rules of FHA concerning the valuation of properties for loans guaranteed by the Government have given higher valuations to houses and buildings heated by natural gas or oil, than to those heated by coal. These rules should be changed. (For detailed statement showing the heavy

burden placed on bituminous coal to subsidize passenger traffic of railroads, see addenda hereto attached.)

The operations of all other Federal agencies should be examined critically to see whether there are other discriminations which could be removed by executive determination.

The Government could also influence the use of coal through the exercise of discretion in other fields. For example, granting of emergency amortization to industrial plants could be conditioned upon agreement that the plants use coal where feasible.

(6) Where Government enters the picture, make sure that coal is considered in determining costs at points of consumption.

Coal producers view with alarm competition arising from the expenditures of tax moneys. Such competition has frequently arisen in the past from Government-financed hydroelectric projects. Many such projects have been built for the purpose of producing power, although allegedly built for the purpose of controlling navigation or floods. Certainly there is no excuse for the Government to finance hydroelectric projects in cases where coal can produce electricity at a lower cost. Experience has shown that many hydroelectric dams do not produce firm power. Moreover many of the dams will fill up and become useless after a period of years.

It is understood that the policy of the present administration is to turn back the generation of electric power at both hydro plants and steam plants to private industry. This is a policy which the coal industry heartily applauds.

(7) Government attitude on consolidation of producing companies and selling agencies.

The coal industry is characterized by a multiplicity of producing and selling units. There are literally thousands of different producing organizations and selling agencies. The competition between them is fierce and intense. In times past the Federal Government has advocated a program of mergers and consolidations of coal-producing companies, so that the producing and selling units would be stronger financially. But while advocating such consolidations and mergers in one breath it has, by administration of the antitrust laws, discouraged them. The United States should seriously consider the adoption of changes in administration policies and in the antitrust laws, which would have the effect of encouraging physical consolidations and mergers, as well also as consolidation of selling agencies without physical merger or consolidation of producing properties. There are ample statutory precedents on the books which could provide the guides for such changes in administrative policies and laws.

(8) Discontinue Government spending to develop commercial steam plants fueled by atomic piles.

The Government is pouring billions of dollars into development of atomic and thermonuclear weapons. The AEC has recently sponsored the construction of steam plants fueled by an atomic pile to generate electricity. The purpose of such development is to use atomic fuel in place of conventional fuels. If it is successful, as some experts freely predict it will be, coal will suffer another attrition of its markets. Public-utility steam plants generating electricity represent 1 of the only 2 growing markets now available to coal. It will be a travesty if the coal industry is now deprived of such market as a result of Government-sponsored research and development.

It may be asked, What is there about fissionable material which makes it much more desirable as a fuel than existing conventional fuels? Why should the Government sell it at less than cost to commercial powerplants? If it greatly reduces the labor which now goes into the mining and transportation

of existing fuels, where will that labor find employment?

What will happen to the coal mines and to the railroads which will be needed when, as, and if the next world war comes along? What big saving will actually be achieved by the substitution of atomic energy for the energy derived from conventional fuels? And, after all, is not uranium produced in the United States a relatively scarce fuel when compared to the tremendously abundant reserves of coal? From a point of view of conservation, is it more important to preserve coal than uranium?

The coal industry doubts if adequate consideration to these questions has been given by the United States. It respectfully urges that they be considered. The coal industry cannot look forward with pleasure to its destruction as a result of its Government's deliberately adopted policy.

(9) Possibility of establishing regular channels of communication between the coal industry and Government at Cabinet level.

Other industries have developed good channels of communication between themselves and various branches of the Federal Government which affect their operations. A notable example is the oil industry. The oil industry has long maintained established channels of communication with the Department of the Interior and the industry and the Department have worked hand in glove for years. The same thing is true between the oil industry and the Department of Commerce and the oil industry and the Department of State. The cooperation between the Department of State and the oil industry, particularly the major companies, is so close that it is difficult, at times, to tell whether a communication written by the Department of State originated with a Department official or an oil industry official. At any rate, they speak with one voice.

The coal industry does not hope to be able to attain a status of association with governmental bodies equal to that of the oil industry. However, it believes that there should be regular channels of communication between the industry and various branches of the Government. These could take the form of advisory groups appointed from the coal industry who could meet regularly with the Secretary of the Interior, with the Secretary of Commerce, and with policymaking officials in the Department of State.

Such an advisory group existed several years ago between the coal industry and the Department of the Interior. It was dissolved with the statement its legality was questionable. Apparently coal has a different legal status from oil, because the oil advisory group has continued in effect ever since and no question as to its legality has been raised. If there is any question of legality of such advisory groups appointed from within the coal industry to confer with various departments of Government, they should be removed by congressional enactment at the request of the executive department.

IV. CONCLUSION

The Government should formulate and announce a policy to encourage the use of coal, specifically designed to maintain a production of at least 450 million tons per year.

The Government should have a fuel policy based upon considerations of national defense, conservation of limited resources and the economic wellbeing of the country as a whole and of its important segments. It is believed that when such a policy is formulated, it would declare that coal is entitled to retain its share of the energy market and to participate in the growth of that market and that various activities of the Government should be shaped to bring about that end.

Reduced to quantities, such a policy would require the maintenance of an annual production of not less than 450 million tons of bituminous coal.

APPENDIX A

Passenger deficits of the United States railroads now exceed their fixed charges by a wide margin. In the period 1941-52, inclusive, the carriers have reduced their annual fixed charges through debt retirement, refinancing and reorganization by approximately \$178 million. During the same period the passenger deficit has increased \$417 million. Some salient figures on this situation are shown below:

Year	Fixed charges (millions)	Passenger deficit (millions)	Percent of net railway operating income absorbed by passenger deficit
1941.....	\$620	\$226	19
1946.....	471	140	18
1948.....	425	560	36
1949.....	421	650	49
1950 ¹	428	616	40
1951.....	420	682	42
1952.....	442	643	37

¹ Excluding back mail pay applicable to prior years. ICC Statement M-125.

To overcome these passenger deficits, shippers of carload traffic are severely penalized by a high level of freight rates. In other words, the passenger deficit is subsidized by other users of the transportation system. The burden of providing this subsidy lays heavily on the bituminous coal industry. This is so because the bituminous coal industry ships more tons of carload freight than any other commodity. In 1952, even in the face of the long steel strike, which materially reduced the demand for coal's transportation, bituminous coal accounted for 25.2 percent of all the originated carload revenue traffic on the United States railroads. Not only is bituminous coal the largest contributor in tonnage volume to the passenger subsidy, but, also due to the high level of their rates, measured as against their cost of transportation, they are making the highest contribution above cost (with one exception) of any of the major commodity groups. From figures contained in ICC statement No. 3-52, Dr. Ford K. Edwards, of the NCA, prepared the following statement which he introduced in evidence before the ICC in Docket Ex parte 175.

Commodity group:	Percent of revenue dollar representing contribution over cost
Bituminous coal.....	29
Products of mines, exclusive of bituminous coal.....	18
Animals and products.....	20
Products of agriculture.....	28
Products of forests.....	29
Manufacturers and miscellaneous..	47

The effect of coal's contribution to the passenger deficit is more amazing when viewed in the light of the percentage which its freight rate bears to its final delivered value as compared with the other important commodity groups; for example:

Commodity group:	Percent total rail revenue is of destination value
Bituminous coal.....	36.5
Products of mines, exclusive of bituminous coal.....	23.2
Products of forests.....	3.2
Products of agriculture.....	2.9
Animals and products.....	1.3

The next largest user of railroad transportation, measured by volume of tons of originated traffic, is iron ore. But in the case of ore they make no such contribution to the passenger deficit as does bituminous coal. Coal moves in large volume to lower Lake Erie ports to be transhipped by vessel

to points beyond. Coal also moves in large volume to North Atlantic tidewater ports to be transhipped by vessel to points beyond. The same cars, crews, tracks, and motive power which transports the coal are used in the reverse direction to move ex-lake iron ore and ex-tide iron ore back to the inland furnaces. Two examples will suffice to show that ore is making little if any contribution to the passenger subsidy.

Coal rate:	Gross ton
Johnstown, Pa., to Baltimore, Md., (outside cape rate).....	\$3.47
Iron ore rate:	
Baltimore, Md. (ex-tide), to Johnstown, Pa.....	2.31
Coal rate:	
Pittsburgh to Erie, Pa. (for lake transshipment).....	2.75
Iron ore rate:	
Erie, Pa. (ex-lake), to Pittsburgh..	1.76

(All of the above rates subject to Ex parte 175 increases.)

It seems apparent that bituminous coal is not only subsidizing the passenger deficit, but is also subsidizing the steel industry to provide it with lost-cost iron ore.

Section 15a (2) of the ICC Act provides:

"In the exercise of its power to prescribe just and reasonable rates the Commission shall give due consideration, among other factors, to the effect of rates on the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such services; and to the need of revenue sufficient to enable the carriers under honest, economical, and efficient management to provide such service."

Ever since the enactment of this section of the act, the ICC apparently has given more consideration to the managerial discretion of the carriers in their contention for higher rates than they have "to the effect of rates on the movement of traffic." The continuing round of ex parte cases since 1947 attests to this fact.

There is, however, another duty upon the ICC as enacted under the National Transportation Policy (Sept. 18, 1940; 49 U. S. C.)—

"To provide for fair and impartial regulation of all modes of transportation. * * *

"To recognize and preserve the inherent advantage of each. * * *

"To encourage the establishment and maintenance of reasonable charges. * * *

"All to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense."

One of the surest ways to preserve the rail segment of our national transportation system is to restore a large volume of bituminous-coal movement to the rail carriers. This can be accomplished by a reduction in the cost to the consumer of the delivered price of coal. This can be most readily accomplished by a reduction in the rail-transportation cost to consumers where bituminous coal has been displaced by foreign oil and natural gas. This could be accomplished by the payment of a subsidy to the railroads sufficient to permit a lowering of the rail freight rates in the critical areas.

The payment of subsidies, directly or indirectly, to promote the national economy is nothing new. Farm price supports, drought relief, flood-control programs—all are direct subsidies to certain segments of our population—but all in the interest of the national economy.

Getting a little closer to the transportation problem, we find that the Federal Government is spending or preparing to spend billions of dollars on dredging of harbors—building break walls—installing radar reflect-

tors; channel buoys; lighthouses; lakes and dams on the inland waterways; the St. Lawrence Seaway. All of these projects are dominated navigation aids. All of them are a subsidy to the transportation agencies able to take advantage of such expenditures. The granting of a subsidy to the rail carriers for the maintenance of a healthy coal movement certainly presents no new concept of one means of carrying out the national transportation policy.

The modus operandi of putting into effect and carrying out such a policy presents no particular problem. The Dominion of Canada, in pursuance of a national-fuel policy, has had a system of subsidies, to aid the bituminous coal industry, in effect for over 25 years.

As an example, quoted below is an excerpt from the order in council (P. C. 3253, June 11, 1952) covering subsidies granted to encourage the movement of Nova Scotia coal:

"The board is hereby authorized to extend financial assistance in respect of the movement of Nova Scotia coal to points in the Provinces of Quebec, Ontario, and Newfoundland for use by consumers other than the railways by the payment of a sum of money in respect of each shipment in an amount to be determined and calculated as follows:

"Where Nova Scotia coal is transported wholly by rail to points in the Provinces of Quebec and Ontario the assistance may be made by payment to the railways of an amount equal to 45 percent of the freight rate applicable to the respective shipment or the sum of \$2.50 per net ton, whichever is the less."

During the Canadian fiscal year 1952-53, out of a total production in the entire Dominion of 16,948,000 tons of bituminous and lignite, 2,406,000 tons, or just under 15 percent, moved on subsidized rates. The average subsidy was \$2.47.

Opinion Poll Report for Cambridge, Mass.

EXTENSION OF REMARKS OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. O'NEILL. Mr. Speaker, under leave to extend my remarks in the Record, I wish to include a partial report on the results of a questionnaire which I mailed early in April of this year to the residents of the district which I represent here in the Congress of the United States.

My purpose in conducting such an opinion poll during my first term here in Washington was not only to enable myself to better represent the people of my district but to acquaint them personally with some of the vital issues here in Washington.

The number of returns, and the interest displayed, have been most gratifying. I feel that the poll has been mutually beneficial. Following is a copy of the letter which accompanied the questionnaire, and the tabulated results for Cambridge, Mass.:

UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR NEIGHBOR: As your Representative here in Washington, it would be invaluable for me to have the opinions of the people of

our congressional district on matters which are vital to all of us.

I realize that you elected me with the expectation that I would always exercise my own best judgment in arriving at a decision as to how the vote for our district will be cast. It is a responsibility and a privilege which I welcome, and I hope that I shall always merit your trust and confidence.

If I had available a cross section of the views of the residents of the 11th Congressional District, and also any comments they might have on any given subject, it would help in clarifying the issues and reaching a truly representative decision.

Attached is a questionnaire on a group of subjects. I will be indebted to you if you will answer them, and also give your views in the spaces allotted. You need not add your signature if you would prefer not to do so.

Each of the questionnaires returned will be read by me personally, and a tabulation will be made. I shall appreciate your cooperation and assistance, and I am looking forward to your response.

With every good wish,

Sincerely,

THOMAS P. O'NEILL, JR.,
Member of Congress.

	Yes	No	No opinion
FOREIGN POLICY			
1. Do you approve of the present method of handling our international relations?	295	572	276
2. Do you believe that the United States Government should continue our foreign-aid program?	573	371	196
3. Do you feel that we should continue military aid to foreign nations?	725	307	111
4. Do you favor the continuation of economic aid to foreign nations?	669	273	201
5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how, and management skills to underdeveloped nations to help them help themselves)?	699	208	362
(a) Do you believe this program should be reduced?	219	479	445
6. Do you believe that Russia should be permitted to remain in the United Nations?	491	446	206
7. Do you believe Communist China should be seated in the United Nations?	170	815	158
TARIFF POLICY			
1. Do you support the present methods of handling tariffs?	261	356	526
2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker?	158	756	229
3. Do you understand the present Government method of handling tariffs?	400	434	309
STATEHOOD			
1. Do you favor conferring statehood on—			
(a) Alaska?	745	193	205
(b) Hawaii?	723	148	272
TAX POLICY			
1. Do you believe that the Federal Government should spend more money than it receives in income?	148	798	287
If opposed, which of these steps would you take—			
(a) Keep taxes high?	242	297	604
(b) Cut domestic spending?	230	376	537
2. Do you feel taxes should be cut more than they already have been?	388	424	331
3. Do you support an increase in the exemption for dependents?	718	184	241
4. Do you favor cutting income taxes across the board percentage-wise?	351	520	272
5. Do you believe in more exemption for dividends and other unearned income?	195	652	296
6. Do you support exemptions to cover expenses for college educations?	582	457	104
7. Do you favor an exemption for the first \$1,500 of retired income?	89	872	182
SOCIAL SECURITY, HEALTH AND WELFARE			
1. Do you believe that the present 2-percent social-security tax on the employee should be maintained?	701	170	272
2. Do you believe it should be returned to 1½ percent?	159	735	249
3. Do you support an increase in old-age assistance benefits?	712	159	272
4. Do you favor an increase in the death benefits under social security?	582	207	354
5. Do you believe that hospitalization, sickness, and accident insurance should be covered by Federal law?	332	490	321
HOUSING			
1. Do you believe that more low-cost housing should be built by the State and Federal Governments?	526	400	217
2. Do you believe these should be multiple-unit dwellings?	229	456	458
3. Do you feel they should be in 2-family units?	226	454	463
LABOR LEGISLATION			
1. Are you in favor of raising the minimum wage?	719	241	183
2. Do you feel this would be helpful to New England insofar as competing with the Southern States is concerned?	458	388	297
3. In your opinion could small business afford an increase?	491	172	480
4. Do you believe that the Taft-Hartley Act is fair to management and labor?	343	480	320
(a) Would you favor outright repeal?	129	638	376
(b) Would you favor changes through amendments?	549	216	378
5. Are there sections of this law which you feel are oppressive to workers?	457	251	425
6. Are there, in your opinion, sections which are oppressive to small business?	274	320	549
ST. LAWRENCE SEAWAY			
1. Do you understand the questions involved in the St. Lawrence Seaway?	639	366	138
2. Do you feel that the construction of the seaway would hurt employment in our area?	481	296	366
3. Do you believe the St. Lawrence Seaway would hurt the future economy of the New England area?	411	389	343
VOTING AGE			
1. Do you believe that persons who are 18 years old should be given the right to vote in national elections?	422	571	150
LOCAL ISSUES			
1. Do you believe the port of Boston should have more Federal assistance?	721	103	319
2. In your opinion, is the Federal Government treating New England fairly on the policy of defense cutbacks?	115	514	514

Columbia River Development Brings \$12 Million Plant to Central Washington

EXTENSION OF REMARKS OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, July 2, 1954

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me and an attached newspaper article, both relating to a major development on the Columbia River, in central Washington.

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

STATEMENT BY SENATOR MAGNUSON

When we public-power enthusiasts from Washington, Oregon, Montana, and Idaho urged this Congress over the course of the last 20 years to develop the Columbia River by a series of hydroelectric, irrigation, and navigation dams many skeptics called us dreamers and insisted our area would remain a land of sagebrush, coyotes, and gophers. "You will never be able to use that much power" we were told. But we did use it and need more.

I have heard just such expressions made on the floors of the House and Senate and it really gives me a lot of personal satisfaction to point out now that those great river developments are paying immense returns.

For years, especially during the last world war, aluminum produced with Columbia River power, gave the United States its air superiority, it made possible that great airplane manufacturing company, Boeing. It produced materials for the atomic bomb and it turned sagebrush into prosperous farms that produce much of the wheat, vegetables, and meat that is eaten by our citizens.

And now comes the latest development in the use of our great waterway. It makes possible the construction of a \$12 million chemical plant at Walla Walla, Wash., beside the great lake created by McNary Dam. That lake makes possible transportation of materials, fuel, and labor needed in constructing the huge plant of the Columbia River Chemicals, Inc., which will produce fertilizer and industrial materials.

The city of Walla Walla, the Pacific Supply Cooperative, the Columbia River Chemicals, and the Fluor Corp., Ltd., announced June 17 that contracts to construct the plant had been signed between the companies and the Walla Walla port district. The port district takes in a large area, that makes an ideal site for manufacturing plants. The site of the new plant is at Attalla, which is 28 miles northwest of Walla Walla. It is served by three transcontinental railroads, river barges moving up and down the Columbia, and a major highway.

We advocates of full development of the great river believe that this will be only the first step industrialization of the river. We expect that other forward looking firms, seeking an ideal place for their factories, soon will follow the Columbia River Chemicals in selecting sites along the Columbia's banks.

There they will find cheaper transportation, cheaper power, nice homes for their workers, and a bustling, energetic community to greet the newcomers.

Preliminary plans indicate it will require about 500 workers to construct the plant, expected to be in operation next year, and that it will require some 200 to 300 employees to operate it. The Port Commission is going to construct dock, rail, and harbor facilities that are expected to cost about \$325,000.

That is another development that we sage-brush dreamers foresaw for the future. Our dreams continue to come true.

This should forever beat down that opposition which would prevent full utilization of the advantages of the Columbia River.

I attach to the statement a news story from the Walla Walla (Wash.) Union Bulletin of June 23, detailing the announcement of the new plant.

TWELVE MILLION DOLLAR INDUSTRY SET HERE

A \$12 million chemical and fertilizer plant, to begin production of several products late in 1955, will be constructed on the Columbia River near Attalla, 28 miles northwest of Walla Walla.

This will mark the first major industrial development on lands held by the Walla Walla County port district.

Alan F. D. Short, general manager of the Columbia River Chemicals, Inc., and W. D. Ray, chairman of the county port district, made the joint announcement Thursday.

The Fluor Corporation, Ltd., contracting and engineering firm of Los Angeles, has been awarded a \$12 million contract to begin construction this summer of facilities for the chemical concern to operate the plant.

Authorization for construction of the plant was granted by the Office of Defense Mobilization Board in Washington, D. C., Wednesday under permit No. EA-TANC 27771.

The port district's Attalla site is served by river barges, three transcontinental railroads, Union Pacific, Northern Pacific, and the S. P. & S. and a major highway.

It was announced simultaneously that Pacific Supply Cooperative, with main offices in Walla Walla, will be the major marketer of anhydrous and aqua ammonia, urea, ammonium sulfate, and urea-ammonia nitrogen solutions for agricultural purposes, which the facility will produce.

Pacific Supply Cooperative maintains branches throughout Washington, Idaho, and Oregon, and will handle all agricultural products of Columbia River Chemicals except those destined for export.

Industrial grade urea will be distributed by MacKenzie & Feilmann, of Vancouver, British Columbia, and Seattle.

Capacity of the plant will be 160 tons of anhydrous ammonia daily, 110 tons of urea and 140 tons of ammonium sulfate. Of this total, 50 tons of anhydrous ammonia and 15 tons of urea will be for industrial use.

Besides Short, who will be general manager, W. B. McRae is president of the board of the new organization.

Principals of Columbia River Chemicals are planning an early meeting in Walla Walla to complete details and open the way for negotiations for construction.

During construction the Fluor Corp. will employ approximately 500 men and an estimated 200 to 350 will be required for operation and maintenance of the plant when full production is reached.

The synthetic ammonia plant will be designed to generate hydrogen from bunker C fuel oil for combination with nitrogen from the air to produce anhydrous ammonia. Specially designed barges will transport the bunker C fuel oil on the Columbia River.

The plant also will be designed to utilize natural gas as raw material as soon as it is available in this area.

The urea plant will be the first in the West and will produce both fertilizer and industrial grades. Raw materials for urea production are anhydrous ammonia and carbon dioxide, a byproduct from the synthetic ammonia plant. Besides its value in fertilizer production, urea is used as a bonding material in paint.

The ammonium sulfate operation will produce sulfate for fertilizer application. Raw materials required in this process are anhydrous ammonia and sulfuric acid.

Ray and other port commission members William Vollmer and William Falconer, hailed the announcement as one of the most important this region has seen.

Ray said the port commission will construct docks, rail and harbor facilities at an estimated cost of \$325,000. Present plans call for bids to be called for this phase of the work as soon as detailed engineering plans can be completed by N. W. Haner & Associates, port district engineers.

The chairman said that the lease completed last week with Army engineers in Washington, D. C., made it possible for this industry to utilize port district land and will open the way for other industries.

McRae, president of the corporation, expressed his appreciation for the work and cooperation of Ray and his commissioners, Herbert G. West, executive vice president of Inland Empire Waterways Association; Charles Baker, of Pacific Supply; Al McVay, the chamber of commerce; and Harley Allen, port district attorney.

It Would Not Have Happened Had Dies Committee Been Heeded

EXTENSION OF REMARKS OF

HON. MARTIN DIES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. DIES. Mr. Speaker, ladies and gentlemen of the House, since World War II communism has cost the United States thousands of lives and billions of dollars, and the end is not in sight. No one can predict the outcome. There may be another world war far more destructive and devastating than any war in history.

This situation was caused by the failure of the United States to grasp the fixed purpose of the Kremlin to conquer the world and to understand the tactics employed for the accomplishment of this purpose. On January 3, 1939, the Dies committee unanimously submitted its first report to the Congress and the executive department. Among other things, the committee found:

We have shown that communism is a worldwide revolutionary movement aiming ultimately at the setting up of a world union of Soviet Socialist Republics. This is a proposition which is beyond dispute. It is substantiated by voluminous literature of the Communists themselves.

In this plan for world revolution the Communists have omitted no country or people as too small or insignificant to command their attention. They have, on the other hand, taken the logical position of concentrating their attention upon the richest and most populous countries of the earth. Among these the Communists recognize the United States of America as the foremost. The Communist's conquest of the earth will be far less than complete until it has conquered America and destroyed our free institutions.

It follows logically from the Communist International's plan of world conquest that every possible tactic, device, maneuver, and intrigue would be employed to gain such an end as the communization of America. These tactics, devices, maneuvers, and intrigues are both boldly open and patently subtle, both violent and insidious. The tactics and maneuvers for revolutionary ends are the meat and drink of a Communist. They are the very air he breathes.

If our Government had heeded this finding of the Dies Committee, it would not have made enormous concessions to Russia at Yalta and Potsdam. It was these postwar concessions which enabled the Soviet Union to emerge from a third-rate power to the status of a world menace.

Another cause of the Communist menace was the theft by Communists inside our Government of our military, diplomatic, and scientific secrets and the influence which these same Communists exerted upon our foreign policy. If we could have retained these secrets, such as the A-bomb and the H-bomb, as well as many others, it would have been a long time before Russia could have acquired them and thereby neutralized the tremendous advantage which the exclusive possession of these secrets gave us. Long before these secrets were stolen, the Dies committee named the Communists on the Federal payroll and urged their discharge. In its report filed on January 3, 1939, the Dies committee found:

The Communist Party has penetrated the Government itself, with the result that some Communists hold key positions in Federal agencies and projects.

In the report of the Dies committee dated January 2, 1943, are the following findings:

Since the committee's creation in 1938, there has come to its attention from time to time the presence in the Federal Government of high-salaried employees who were prominently and definitely identified with communism and its front organizations. Many of these cases were promptly called to the attention of the President, the Congress, and the departmental head concerned by either the committee or its members. At this point, the committee would like to cite a number of examples where this procedure has been followed.

On October 25, 1939, the committee made public the names, positions, and salaries of some 563 Government employees located in Washington, D. C., who were members of the American League for Peace and Democracy. In three reports which this committee has made to the House, it has found the American League for Peace and Democracy to be a Communist-front organization. . . .

Pursuant to this request, the committee on October 17, 1941, sent to the Attorney General the names of 1,124 Federal Government employees who were members of organizations which this committee had found to be subversive. These membership lists had been obtained largely by subpoena and have been identified and authenticated by the officials of the organization involved. All of the committee's files were immediately made available to the Attorney General and his investigators, who were charged with carrying out the mandate of Congress as contained in this act.

Thus, it will be seen that before World War II the Dies committee had furnished the executive department with the names of several thousand Government officials and employees who belonged to organizations which the committee and the Attorney General had found to be Communist controlled and subversive. Included in this list were the names of Alger Hiss, Harry Dexter White, and Harold Glasser. These people were kept on the Government payroll for at least 10 years after they were exposed, and the theft of our military, diplomatic, and

scientific secrets was made possible because of their presence on the Federal payroll. Furthermore, these Government officials greatly influenced our foreign policy in favor of Russia.

Another cause which contributed to Communist successes was the failure of our Government to deport and exclude Communist aliens. In 1932, my bill to deport and exclude Communist aliens passed the House of Representatives but was stymied in the Senate by the liberal bloc headed by Senator La Follette. At that time, there were only 20,000 Communists in the United States and 90 percent of them were aliens. If my bill had become a law, these Communists would have been deported and the thousands who came after 1932 would have been excluded. The Communist conspiracy would have been nipped in the bud.

In the committee's report filed on January 3, 1939, is the following finding:

The committee received considerable evidence of the activities of Communist, Nazi, and Fascist aliens in the United States. It does not seem that these aliens experience any difficulty in entering the United States or remaining here after entrance. A large part of un-American activities is inspired and carried on by these aliens. . . .

The committee believes that it will be difficult to ever cope with un-American activities and propaganda in this country so long as the Department of Labor follows its present policy with reference to deportation. The laxity with which the Department of Labor deals with alien agitators would be unbelievable if we did not have before us the most convincing proof. . . .

We further believe that greater care should be exercised in permitting aliens to enter the United States to the end that aliens who believe in or advocate communism, fascism, and nazism will be excluded.

In the committee's report filed January 3, 1940, we recommended:

The mandatory deportation of aliens who advocate any basic change in the form of our Government; the enactment of legislation to stop all immigration from foreign countries that refuse to accept the return of their nationals found under American law to be deportable from this country.

Another cause of Communist strength and success in the United States was the infiltration of labor unions and seizure of control. Through these labor unions Russia was able to wield great political influence. These unions had the balance of power in some areas. In its report filed January 3, 1939, the committee found:

The Communist Party is boring from within labor unions on a wide scale, seeking to dominate or wreck the unions for purposes that are alien to the interest of organized wage earners. It deliberately projects violence in labor disputes for the purpose of training a revolutionary group in the tactics of civil war. It seeks to sabotage and cripple our economy on every possible front, with the view to its profiting by the resulting economic crisis.

In its report filed on January 3, 1940, the Dies committee found:

On the basis of the evidence submitted, we find Communist leadership entrenched in the following organizations: National Maritime Union; United Cannery, Packing, and Allied Workers; Federation of Architects, Engineers, Chemists, and Technicians; Fur Workers International Union; International Longshoremen and Warehousemen's Union;

Transport Workers Union; United Office and Professional Workers' Union; American Communications Association; United Electrical, Radio and Mechanical Workers of America; and the United Furniture Workers of America.

We called upon the CIO to expel these unions from their organization. Ten years later the CIO took this action. We asked that these organizations be denied any right under the National Labor Relations Act.

Another cause for Communist success in the United States was the infiltration of educational institutions. In its report filed January 3, 1939, the Dies committee found:

The Communist Party is unusually active in our schools, both openly and subtly insinuating its propaganda into the minds of students.

In its report dated January 3, 1941, the Dies committee recommended as follows:

Withhold all Federal financial support from any educational institution which permits members of its faculty to advocate communism, fascism or nazism as a substitute for our form of government to the student body of these educational institutions.

If this recommendation had been adopted, educational institutions would have been compelled to expel Nazis, Fascists, and Communists from their faculty. This would have struck a telling blow at the Communist conspiracy.

After my bill to deport and exclude Communist aliens was stymied in the Senate, instructions went forth to all Communist aliens to become naturalized. Therefore, in the Committee's report dated January 3, 1941, we recommended as follows:

We recommend that the statutory period during which citizenship papers can be revoked under existing law be extended to at least 10 years.

If this recommendation had been followed, our Government could have revoked the citizenship papers of Nazis, Fascists, and Communists and deported at least 90 percent of them.

A contributing cause to the growth of the Communist conspiracy in the United States was the ease with which Communist agents were able to travel to and from the United States. In its report dated January 3, 1945, the committee recommended:

Due to the fact that the Committee has discovered that many members of foreign-controlled organizations have traveled on American passports which have been fraudulently obtained, the committee feels that the statute of limitations should be extended from 3 to 7 years. This is made necessary because of the unusual difficulty in apprehending those who resort to the use of fraudulent passports within the period of 3 years.

The most important recommendation made by the Dies committee during the seven years of its existence was the recommendation contained in the report of 1941, that foreign-controlled political organizations be outlawed. It reads as follows:

The enactment of legislation to outlaw every political organization which is shown to be under the control of a foreign government. As long as these organizations have

a legal status in the United States, it will be difficult for any agency of the Government to deal with them. We now know that they furnish the legal apparatus for the operations of saboteurs and the window-dressing for espionage. The committee believes that legislation can be worked out to outlaw such organizations, and that this will in no sense constitute a violation of the Bill of Rights since such legislation would only affect organizations controlled or directed by foreign countries.

Mr. Speaker, had this recommendation been adopted in 1941, the Communist conspiracy would have been dealt a death blow. In its 1939 report, the committee found:

The Government, by use of the provisions of the wartime legislation, drove the Communist Party underground, where it remained in an illegal status until 1924, when the repeal of the war measures and the consequent halting of Government activities by the agents of the Department of Justice permitted it to reappear. The Communists came more and more into the open until today they flaunt their revolutionary activities throughout the country. Since 1925 the Department of Justice has had no power, no authority, or no funds from the Congress to investigate Communist propaganda or activities. During the period that the Department of Justice had actual authority, the Communist Party was driven underground where it could not function successfully. Just so long as the agents of the Department of Justice were active, the movement remained comparatively stationary and innocuous. At the present time the Communist Party of the United States is thoroughly and highly organized, nationally and locally, and is extremely active.

Eventually Congress must pass my bill to outlaw the Communist Party and its subsidiary, auxiliary, and frontal organizations, because there is no other way to crush this criminal and treasonable conspiracy.

Mr. Speaker, before concluding this speech I would like to read a few excerpts from my book, *The Trojan Horse in America*, which was published in the early part of 1940 by Dodd, Mead & Co. On page 354 I said:

It should, however, be stressed that the Government itself has played an important role in the growth of Communism by providing Communists with jobs and opportunities for recruiting members and fellow travelers. There are few subversive organizations in America which cannot produce letters of endorsement and encouragement from prominent Government officials.

On page 362 I said:

These leftwingers are scattered throughout the Government service and occupy key positions which enable them to oppose any efforts to combat the fifth column. . . . Until they are removed from their positions, we may expect at best only halfhearted and ineffectual action.

On page 363 I said:

The issue is before the President. He must take the initiative in performing this necessary task in the interest of adequate preparedness.

The President cannot supply the leadership on which our national security rests until he inaugurates a thorough and a genuine housecleaning in Government service. This is the plain truth and to deny or avoid it may prove fatal in the end.

The President must surely realize by this time that his leftwing followers in the Government are the fountainhead of subversive activities.

Whether or not we can develop courageous leadership in this country remains to be seen. It depends upon an awakening of the people. The totalitarian psychology of Communism and Fascism has taken root in the minds of many of our people. It must be eradicated before the Nation is prepared to defend itself against the assault of totalitarianism.

George Washington's Counsel to His Countrymen Warns of Danger in House Joint Resolution 527 and House Joint Resolution 528

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. O'HARA of Illinois. Mr. Speaker, I am extending my remarks to include my statement to the House Judiciary Subcommittee holding public hearings on House Joint Resolution 527 and House Joint Resolution 528, as follows:

TESTIMONY OF HON. BARRATT O'HARA, OF ILLINOIS, BEFORE THE COMMITTEE ON THE JUDICIARY, SUBCOMMITTEE NO. 1

Mr. Chairman and members of the committee, I am BARRATT O'HARA, representing the Second Congressional District of Illinois. I appreciate the opportunity graciously given me to participate as a witness in the public hearings of your distinguished committee on House Joint Resolution 527 and House Joint Resolution 528.

I have read and studied carefully the two resolutions. I have sought to find in them some suggestion (1) of something necessary to be done in the national security and the public welfare, (2) of something that was not being done under existing laws and instrumentalities, and (3) of something that properly and more efficaciously could be done by vesting despotic power in one man, not chosen by the people in a popular election, but an appointee recommended by service and servility to a political party. I could find no suggestion of anything meeting these three factors.

We have strong laws against treason, sabotage, espionage, criminal, subversive acts. We have the FBI, of which we all are proud, and other policing bodies to expose, to run down and to arrest those in violation. We have a system of good courts to accord to all accused of crime a fair and impartial trial and to mete punishment to the guilty. Moreover we have an alert citizenry, and this includes the responsible labor leadership and labor rank and file of our country.

No free people travel the road to despotism with their eyes open. It is the history of other countries of the world, and within our times of Germany under Hitler and Italy under Mussolini, that the eye-opening has come after the end of the road to despotism had been reached and liberty was gone.

What is proposed by these resolutions is to give to one man, the creation of a political party, the arbitrary power of life or death over any labor union, any church, any fraternal, business, or civic organization.

Whether this is something wholesome and to be desired in the climate of our American democracy, or whether it is the siren song of Scylla and Charybdis at the end of the road of despotism, I leave for answer to the father of his country, George Washington.

I am quoting now from Washington's Farewell Address:

"The alternate dominion of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetuated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual; and sooner or later the chief of some prevailing faction more able or more fortunate than his competitors turns this disposition to the purposes of his own elevation on the ruins of public liberty.

"Without looking forward to an extremity of this kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of party are sufficient to make it the interest and the duty of a wise people to discourage and restrain it."

What Washington feared might come to pass, and against which he warned in the strongest language at his command, was the gradual development of our democracy into a despotism by the concentration of unchecked power in the hands of one man, or a group of men answerable only to themselves or to a political party. He was not referring to the legitimate functions of a political party as an instrumentality through which citizens of kindred philosophies and intellectual and material interests might act in concert in making their voice heard in matters of government. It is clearly apparent that his warning has applicability in the present instance.

Under the guise of serving the national interest it is proposed to vest in the Attorney General an absolute power far and beyond any power that has been given to the judges in our courts.

In my own State of Illinois, and I think elsewhere it is pretty generally the rule, it is mandatory on the judge to grant a petition for a change of venue when accompanied by an affidavit in proper form that affiant has good reason for believing the court to be prejudiced.

Suppose in the case of a labor union or any other organization the Attorney General actually was prejudiced. His prejudice might stem from the participation of such organization in a political campaign in opposition to the candidacy of the source of the Attorney General's appointment. It might stem from anticipation of opposition in a forthcoming campaign upon which was dependent the Attorney General's continued tenure of office. Suppose this prejudice were not merely a matter of suspicion or of conjecture, but also subject to proof by competent evidence, or even openly acknowledged, the Attorney General under these resolutions nevertheless could proceed to pass judgment on one against whom he was known to hold biased and unfriendly feeling.

In the administration of American justice the accused is assumed innocent until guilt is proved beyond a reasonable doubt. He is assured of a fair and impartial trial. The trial judge must be of mind entirely unbiased and without personal interest of any nature in the outcome of the trial. Have we reached such a stage in our national life that we must abandon everything in American justice so dear and sacred to many generations of our people?

I am very sure, Mr. Chairman and my colleagues on the committee, that in the proposal of these resolutions there does exist the danger which George Washington foresaw many long years ago and against which he did all in his power to warn us.

In the 165 years since the establishment of the office we have had 60 Attorneys General. We have had good and outstanding Attorneys General, some who were thought

by some to have been questionable, some who were indifferent. At the best and at the worst it has been an office predominantly political in its character.

When the so-called wiretapping bill was before the House I said in my remarks:

"Does any Member of this body desire to place within the jurisdiction of this essentially political office the power to say who shall be permitted to talk in privacy with his own wife and his own children over a telephone line for which he has contracted and for which he pays?"

The House in its wisdom refused to give to the Office of the Attorney General such arbitrary and unchecked power. The attitude of the American people supportive of the position of the House was reflected in editorials in the newspapers of the United States from coast to coast.

Now it is proposed to give to this essentially political office the power of life and death over every labor union, every church, every fraternal organization. It is a grab for political power, bypassing our courts and our time-honored customs, that in its boldness stands without precedence in our national history.

The passage of these resolutions would be the establishment of a precedent which, again quoting the words of Washington, "must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield."

As to the proposition here presented of one man, entrenched in a political office by virtue of his service in active politics, being vested with such large and despotic powers, George Washington's counsel in opposition is as crystal clear as the ringing of a bell. Against such a proposition he would say, as in his famous farewell address:

"A just estimate of that love of power and proneness to abuse it which predominates in the human heart is sufficient to satisfy us of the truth of this position."

Mr. Chairman, I have profound respect for the great Judiciary Committee of the House, composed as it is of members whose eminence on the bench and at the bar before their election to this body was long established and recognized. I appreciate sincerely the courtesy and the honor you have shown me by listening to my remarks. I feel so deeply on the subject we are discussing because it seems to me to strike at the very spirit and purpose of our Government. I hope that the committee in its wisdom will render another great service to our democracy by turning thumbs down on a proposal to place above the law the power of one man, however wise and well motivated that man might be.

H. R. 9020, Compensatory Rates and Pensions for Certain Veterans

EXTENSION OF REMARKS OF

HON. WILLIAM H. HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. HARRISON of Wyoming. Mr. Speaker, on June 25 I directed a letter to the House Rules Committee requesting early consideration of H. R. 9020, a bill to increase compensatory rates and pensions for certain veterans.

My letter to the committee was prompted not only by my own belief that the bill in question should be accorded hearing and debate by the full House but also by the widespread inter-

est in the measure expressed by Wyoming people.

During the past several weeks I have received numerous letters, postal cards, and telegrams in support of H. R. 9020. Only this morning, in the first mail delivery, I received 11 letters on the subject from 1 community alone and a telegram from a second Wyoming city.

The 11 letters were from Lovell, Wyo., and came from officers and members of Robert Boyd Stewart Unit No. 11 of the American Legion Auxiliary. Earlier, I received numbers of similar letters from residents of other communities in my State. I add this comment simply to show, Mr. Speaker, that insofar as Wyoming is concerned, the interest in H. R. 9020 is not concentrated in just 1 or 2 sections.

As I told Chairman ALLEN of the Rules Committee, I believe his group should report the bill because it "is deserving of consideration by the House, where the bill may stand or fall upon its merits as viewed by the Members."

Final Tabulations of 1954 Legislative Questionnaire

EXTENSION OF REMARKS OF

HON. CHARLES R. HOWELL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. HOWELL. Mr. Speaker, during each of my 6 years as a Member of the House of Representatives, I have conducted a legislative questionnaire in the Fourth District of New Jersey. In 1949 the questionnaire was mailed to approximately 6,000 residents of Mercer and Burlington Counties, and returns were received from 2,150. The 1954 questionnaire was sent out to about 35,000 Fourth District residents, and returns were received from 3,850.

My constituents have given me fine cooperation in this project during the past 6 years, and I am grateful to those who took out time to complete and return the questionnaire. For my own part, I have always found the questionnaire to be a valuable means of understanding the nature of opinion within the district. I would recommend use of a questionnaire to all Members of the House as a means of achieving a mutually satisfactory point of view between Congressman and constituents on important issues.

The results of the 1954 questionnaire follow:

1. Increase postal rates on following to put Post Office on self-supporting basis: (a) First-class mail (letters): Yes, 46 percent, or 1,626; no, 54 percent, or 1,928. (b) Second-class mail (newspapers): Yes, 75 percent, or 2,676; no, 25 percent, or 886. (c) Third-class mail (circulars): Yes, 89 percent, or 3,346; no, 11 percent, or 417.

2. Have United States Steel pay part of cost of deepening Delaware River Channel to 40 feet: Yes, 80 percent, or 2,947; no, 20 percent, or 712.

3. Continue program of Federal loans to build public-housing units for low-income

families: Yes, 73 percent, or 2,798; no, 27 percent, or 1,027.

4. Change Taft-Hartley labor law in following way: (a) Give greater rights to employers: 22 percent, or 749; (b) give greater rights to workers: 22 percent, or 736; (c) repeal completely: 16 percent, or 538; (d) leave as it now stands: 40 percent, or 1,346.

5. Believe the program of Federal support for farm prices should be: (a) continued at present level: 20 percent, or 765; (b) continued, but at lower level: 55 percent, or 2,062; (c) discontinued completely: 25 percent, or 934.

6. United States should join with Canada in construction of St. Lawrence Seaway: Yes, 84 percent, or 3,174; no, 16 percent, or 608.

7. United States join with other nations in pooling some nonmilitary atomic data to initiate peaceful uses of atomic energy: Yes, 75 percent, or 2,852; no, 25 percent, or 954.

8. Strengthen United Nations into a limited world federation without authority in domestic affairs: Yes, 72 percent, or 2,631; no, 28 percent, or 1,023.

9. Favor the new United States military policy of main reliance on atomic weapons and air power and less on ground forces and conventional weapons: Yes, 67 percent, or 2,351; no, 33 percent, or 1,180.

10. Change Reciprocal Trade Agreements Act and tariff laws to (a) permit more trade between United States and other countries: 78 percent, or 2,913; (b) permit less trade between United States and other countries: 4 percent, or 141; (c) leave as it now stands: 18 percent, or 669.

11. Favor proposal to increase salaries of Congressmen, Senators, and Federal judges: Yes, 67 percent, or 2,441; no, 33 percent, or 1,206.

12. The three problems most frequently mentioned as facing the country now are (1) disapproval of the tactics and effects of McCarthyism; (2) concern with unemployment and the threat of recession; (3) opposition to United States armed intervention in Indochina.

Opinion Poll Report for Somerville, Mass.

EXTENSION OF REMARKS OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. O'NEILL. Mr. Speaker, under leave to extend my remarks in the Record, I wish to include a partial report on the results of a questionnaire which I mailed early in April of this year to the residents of the 11th Congressional District of the Commonwealth of Massachusetts.

My purpose in conducting such an opinion poll during my first term here in Washington was not only to enable myself to better represent the people of my district but to acquaint them personally with some of the vital issues here in Washington.

The number of returns, and the interest displayed, have been most gratifying. I feel that the poll has been mutually beneficial. Following is a copy of the letter which accompanied the questionnaire, and the tabulated results for Somerville, Mass.:

UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR NEIGHBOR: As your Representative here in Washington, it would be invaluable

for me to have the opinions of the people of our congressional district on matters which are vital to all of us.

I realize that you elected me with the expectation that I would always exercise my own best judgment in arriving at a decision as to how the vote for our district will be cast. It is a responsibility and a privilege which I welcome, and I hope that I shall always merit your trust and confidence.

If I had available a cross section of the views of the residents of the 11th Congressional District, and also any comments they might have on any given subject, it would help in clarifying the issues and reaching a truly representative decision.

Attached is a questionnaire on a group of subjects. I will be indebted to you if you will answer them, and also give your views in the spaces allotted. You need not add your signature if you would prefer not to do so.

Each of the questionnaires returned will be read by me personally, and a tabulation will be made. I shall appreciate your cooperation and assistance, and I am looking forward to your response.

With every good wish.

Sincerely,

THOMAS P. O'NEILL, JR.,
Member of Congress.

Somerville questionnaire

	Yes	No	No opinion
FOREIGN POLICY			
1. Do you approve of the present method of handling our international relations?	216	396	205
2. Do you believe that the United States Government should continue our foreign-aid program?	362	285	170
3. Do you feel that we should continue military aid to foreign nations?	462	221	134
4. Do you favor the continuation of economic aid to foreign nations?	437	230	150
5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how, and management skills to underdeveloped nations to help them help themselves)?	570	124	123
(a) Do you believe this program should be reduced?	179	368	270
6. Do you believe that Russia should be permitted to remain in the United Nations?	278	360	179
7. Do you believe Communist China should be seated in the United Nations?	89	622	106
TARIFF POLICY			
1. Do you support the present methods of handling tariffs?	123	173	521
2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker?	74	489	254
3. Do you understand the present Government method of handling tariffs?	188	376	253
STATEHOOD			
1. Do you favor conferring statehood on—			
(a) Alaska?	653	115	49
(b) Hawaii?	669	99	49
TAX POLICY			
1. Do you believe that the Federal Government should spend more money than it receives in income?	132	603	82
If opposed, which of these steps would you take—			
(a) Keep taxes high?	195	245	377
(b) Cut domestic spending?	539	98	180
2. Do you feel taxes should be cut more than they already have been?	328	270	219
3. Do you support an increase in the exemption for dependents?	491	124	202
4. Do you favor cutting income taxes across the board percentage-wise?	367	319	131
5. Do you believe in more exemption for dividends and other unearned income?	155	539	123
6. Do you support exemptions to cover expenses for college educations?	360	294	163
7. Do you favor an exemption for the first \$1,500 of retired income?	322	115	180
SOCIAL SECURITY, HEALTH AND WELFARE			
1. Do you believe that the present 2-percent social-security tax on the employee should be maintained?	497	156	164
2. Do you believe it should be returned to 1½ percent?	156	497	164
3. Do you support an increase in old-age assistance benefits?	620	108	89
4. Do you favor an increase in the death benefits under social security?	140	497	180
5. Do you believe that hospitalization, sickness, and accident insurance should be covered by Federal law?	241	402	174
HOUSING			
1. Do you believe that more low-cost housing should be built by the State and Federal Governments?	375	327	115
LABOR LEGISLATION			
1. Are you in favor of raising the minimum wage?	531	156	130
2. Do you feel this would be helpful to New England insofar as competing with the Southern States is concerned?	449	163	205
3. In your opinion could small business afford an increase?	433	171	213
4. Do you believe that the Taft-Hartley Act is fair to management and labor?	83	441	293
(a) Would you favor changes through amendments?	595	74	148
5. Are there sections of this law which you feel are oppressive to workers?	506	237	74
6. Are there, in your opinion, sections which are oppressive to small business?	449	261	107
ST. LAWRENCE SEAWAY			
1. Do you understand the questions involved in the St. Lawrence seaway?	489	156	172
2. Do you feel that the construction of the seaway would hurt employment in our area?	253	344	220
3. Do you believe the St. Lawrence seaway would hurt the future economy of the New England area?	253	344	220
VOTING AGE			
1. Do you believe that persons who are 18 years old should be given the right to vote in national elections?	245	449	123
LOCAL ISSUES			
1. Do you believe the port of Boston should have more Federal assistance?	547	147	123
2. In your opinion, is the Federal Government treating New England fairly on the policy of defense cutbacks?	148	505	164
Name.....			
Address.....			

Heads of State and Dignitaries From Many Foreign Lands Have Visited the TVA, a Symbol of Progress in America—Let's Not Now Put Up a "No Visitors" Sign at TVA

EXTENSION OF REMARKS OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. EVINS. Mr. Speaker, the visitor's register at the Tennessee Valley Authority reads like a "Who's Who of the World"—that is, such was the situation prior to January of 1953. Since then, dignitaries of note, with a limited exception, have not been directed to the TVA.

This leads to the question: "Has a 'No Visitors' sign been put up at the TVA?"

From the time of its inception, the TVA has been one of the spots in our country most eagerly sought out by representatives of foreign countries visiting in the United States. The TVA has traditionally received critical and intensive study by both private and governmental organizations from throughout the civilized world. Hundreds of persons annually have gone to the TVA each year with the sole purpose in mind of seeing TVA in operation and endeavoring to understand its purposes and its achievements and its contribution to a better, more prosperous society and economy. Visitors to our country from abroad have traditionally exhibited great interest in the TVA which has become a symbol of progress in America throughout the free world.

After seeing the TVA in operation, these visitors have obtained ideas and progressive inspiration for their own countries—which are, in most cases, hungry for advancement and progress, a blueprint for realizing many aspirations for a better life.

The visitors from foreign lands to the TVA area have included—

Queen Juliana and Prince Bernhard, of the Netherlands, in April 1952.

Ambassador and Mrs. Eban of Israel, in May 1953.

Muhammed Khuda, Minister of Defense, of Pakistan, in December 1952.

Ambassador and Mrs. Feridun C. Erkin, of Turkey, in October 1952.

Admiral Renato Guillobel, Secretary of the Brazilian Navy, in September 1952.

Former Prime Minister Hans Hetoft, of Denmark, and Ambassador Henrik de Kauffmann, of Denmark, in July 1952.

Prime Minister David Ben-Gurion of Israel, in May 1951.

Prime Minister Joseph Pholien, of Belgium, in April 1951.

President Gabriel Gonzales Videla, of Chile, in April 1950.

Dr. Franz Bluecher, Vice Chancellor of West Germany, in February 1950.

Prime Minister Pundit Jawaharlal Nehru, of India, in October 1949.

President Enrico Gaspar Dutra, of Brazil, in May 1949.

Right Honorable Hector McNeil, British Minister of State, in April 1949.

The Khan of Kalat, Ruler of Kalat, Pakistan, in April 1949.

Prince Charles, Regent of Belgium, in April 1948.

The Egyptian Minister of Public Works, in July 1947.

President Miguel Aleman, of Mexico, in May 1947.

And many others.

It is my information, Mr. Speaker, that those who prepared the itinerary of visits in this country failed to include the TVA for Emperor Haile Selassie, of Ethiopia, upon the occasion of his recent official state visit to the United States.

And further, Mr. Speaker, I may observe also that while their Majesties, King Paul and Queen Frederika, of Greece, visited from coast to coast during their recent official visit to our country, their itinerary did not include the TVA.

Also noted, Mr. Speaker, was the fact that the President of Turkey on his recent official visit to the United States, was not included among the visitors to the TVA.

Were these distinguished visitors routed around TVA, Mr. Speaker? The answer seems obvious—certainly obvious in the light of the dearth of foreign visitors to this area in recent months.

Let's not permit a "no visitors" sign to be put at the portals of the TVA.

The Development of Parliamentary Government

EXTENSION OF REMARKS OF

HON. ROBERT CROSSER
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. CROSSER. Mr. Speaker, under leave to extend my remarks I insert at this point a copy of a thesis I prepared for the Steering Committee of the House in 1943 when I was chairman of that committee, reviewing the history of parliamentary government.

THE DEVELOPMENT OF PARLIAMENTARY GOVERNMENT

In compliance with the request of members of the Democratic steering committee of the House, the chairman hereby submits a memorandum setting for the procedure which he suggests should be followed by the committee in discharging the duties which, in the nature of things and by express direction of the Democratic caucus, the committee is required to perform.

Before proceeding with a discussion of the functions of the committee and presenting a short outline of the procedure which it would seem proper to follow, there is submitted a brief statement explaining not only the propriety and wisdom of providing for a regular course of action and for the adoption of definite rules of procedure, but to show also the absolute necessity for such action.

Every government, according to the claims of those who control it, desires only the welfare of the people. In the United States reference to the subject of government is seldom made without at the same time stressing the fact that this is a government by the consent of the people—or as Jefferson said: "Governments are instituted among men, deriving their just powers from the consent of the governed."

No responsible person in this country disputes the soundness of the principle that the will of the people should prevail. The problem confronting students of government has been to provide the mechanics, proper and necessary, for the purpose of giving effect to the abstract principle of self-government.

Thomas Jefferson understood the logical necessity of establishing in the people absolute control of public policies and had complete confidence in their capacity for self-government. He indicated, however, great anxiety lest the power of the people to determine the policy of government should be either lost or seriously impaired.

The reason for his apprehension was that Jefferson was not only the great champion of human rights, devoted to the principles of democracy, but was also the profound scholar in public life.

He, therefore, knew the history of the human race and was familiar with the numerous painful struggles of people throughout the world in their effort to establish and maintain governments which would assure them a reasonable measure of justice. He noted how invariably, elsewhere in the world, those exercising governmental power had shaped their courses not for the welfare of the people, but according to what they believed to be for their own personal advantage.

Our parliamentary system had been based, in large measure, on the principles of the English parliamentary system and being familiar with the history of the English Parliament's long and almost futile struggle to become the recognized agency for the determination of governmental policies, Jefferson was fearful lest control of Government by our people should be lost.

After reviewing some of the episodes in the history of the English Parliament it is surprising, in view of Jefferson's sound political philosophy and knowledge of history, that he was not more apprehensive as to the development and continuity of truly democratic government in the United States.

The recital of even a few of the occurrences in the struggle of the Parliament for complete legislative power will show the reason for Jefferson's fears and the necessity for express provision for the fullest possible measure of direct and absolute control of governmental policies by the people. Experience and study had convinced him that the exercise of the right of popular control never would be assured if it were dependent on mere implication or assumption instead of express statement.

The supporters of unexpressed authority almost invariably are disposed to insist that the benevolence and graciousness of those exercising power over the people are sufficient assurance that liberty and justice will be enjoyed by all those effected by the exercise of such authority. This is not true. Fallible human nature, not the ill will of the individual, generally leads to the use of governmental power in such a way as is calculated to serve what the exerciser believes to be his own special interest.

Only by the definite and express statement of principles, in documentary form, by the undoubted majority of those subject to the power of government, is it possible to avoid disregard of principle and consequent ill feeling between those exercising governmental power and those subjected to such authority. When rules are absolutely definite and recorded, few, if any, of those hav-

ing any power of government would feel any offense about insistence upon the true administration of the same.

Some of the above-mentioned experiences of the English and British Parliament, in its hard struggle for true legislative power, which were due to the lack of express definite statements of the rights of the people and of Parliament, are discussed in the following quotations from standard authorities.

Taswell-Langmead's English Constitutional History, at page 392, states:

"In the Parliament of 1572 no opposition was shown, but at its next meeting, in February 1575-76, a speech of remarkable boldness in defense of the liberties and privileges of the Commons was delivered by Peter Wentworth, member for Tregony in Cornwall: 'Sweet is the name,' he said, 'of liberty, but the thing itself a value beyond all inestimable treasure. So much more it behooveth us to take care lest we, contenting ourselves with the sweetness of the name, lose and forego the thing.'

"In the last and preceding session,' he continued, 'I saw the liberty of free speech so much and so many ways infringed, and so many abuses offered to this honorable council, as hath grieved me; wherefore I do think it expedient to open the commodities that grow to the prince and state by free speech. Without this it is a scorn and mockery to call it a Parliament house, for in truth it is a school of flattery and dissimulation. Two things do great hurt here: one a rumor which runneth about the House, 'Take heed what you do; the Queen's majesty liketh not such a matter; whosoever preferreth it, she will be offended with him.' On the contrary, 'Her Majesty liketh of such a matter; whosoever speaketh against it, she will be much offended with him.' The other is a message sometimes brought into the House, either of commanding or inhibiting very injurious to the freedom of speech and consultation. I would to God, Mr. Speaker, that these two were buried in hell; the King hath no peer or equal in the Kingdom, but he ought to be under God and the law because the law maketh him a king.'

"Wentworth was committed to the tower because of his speech."

On page 394 of Taswell-Langmead's English Constitutional History it is stated:

"As soon as the House reassembled (February 1587), Peter Wentworth submitted to the Speaker, for the purpose of being read to the House, a series of questions, of which the principal points were: 'Whether this House be not a place for any member freely and without controlment of any person, or danger of laws, by bill or speech, to alter any of the griefs of the commonwealth? Whether honor may be done to God, and benefit and service to the prince and state, without free speech? Whether there be any councils beside Parliament, which can make, add to, or diminish from, the laws of the realm? Whether it be not against the orders of this House to make any secret or matter of weight, here in hand, known to the prince or any other? Whether the Speaker, or any other, may interrupt any member in his speech in this House, or rise, when he will without consent of the House? Whether the prince and state can continue, stand, and be maintained without the Parliament, except by altering the government of the state?'

"For these queries (which the Speaker declined to read to the House), Wentworth was again committed to the Tower; a fate which Cope and those members who had supported his motion also shared."

In the same volume by Taswell-Langmead, at page 394, appears the following statement of facts:

"At the opening of the Parliament which met in February 1593, the Speaker having made the usual request of liberty of speech, received (from Queen Elizabeth) for answer: 'Privilege of speech is granted, but you must

know what privilege ye have: not to speak every one what he listeth, or what cometh into his brain to utter; your privilege is "Aye or No." On the first day of the session the undaunted Peter Wentworth, together with Sir Henry Bromley, another Member, delivered a petition to the Lord Keeper desiring the Lords to be suppliants with the Lower House to Her Majesty to entail the succession of the Crown, for which they had already prepared a bill. For this boldness they were summoned before the council and committed to prison. A few days later, Morrice, the attorney of the court of wards, introduced a bill to reform the practice of the ecclesiastical courts, especially in the matter of the oath *ex officio*. The Queen immediately sent for the Speaker who on his return informed the House that 'She wondered that any would be of so high commandment as to attempt a thing contrary to that which she had so expressly forbidden. Her Majesty's present charge and command is, that no bills touching matters of State, or reformation in causes ecclesiastical, be exhibited. And upon my allegiance (the Speaker's) I am commanded, if any such bill be exhibited, not to read it.' Not content with this general reprimand, Morrice, himself attorney general, was arrested in his place, committed to prison, deprived of his office in the court of wards, and disabled from practising as a barrister."

"It was in the Parliament of 1601 that the opposition which had, during 40 years, been silently gathering and husbanding strength, fought its first great battle and won its first victory. The conflict arose concerning the enormous abuse of monopolies. Under cover of the loosely defined prerogative possessed or assumed by the Crown of regulating all matters relating to commerce, the Queen had taken upon herself to make lavish grants to her courtiers, or patents to deal exclusively in a multitude of articles, mostly common necessities of life. Coal, leather, salt, oil, vinegar, starch, iron, lead, yarn, gladd, and many other commodities were in consequence only to be obtained at ruinous prices. The grievance was first mooted in Parliament in 1571, by a Mr. Bell; but he was at once summoned before the council, and returned to the House 'with such an amazed countenance, that it daunted all the rest.' After the lapse of 26 years the Commons ventured, in 1597, to present an address to the Queen on the same subject, to which she replied, through the lord keeper, that she 'hoped her dutiful and loving subjects would not take away her prerogative; which is the choicest flower in her garden, and the principal head pearl in her crown diadem; but would rather leave that to her disposition, promising to examine all patents and to abide the touchstone of the law.' In spite of these fair words, the abuse, far from being abated, rose to still greater height. So numerous were the articles subject to monopoly, that when the list of them was read over in the House in 1601, an indignant Member exclaimed, 'Is not bread amongst them? Nay, if no remedy is found for these, bread will be there before the next Parliament.' A bill for the explanation of the common law in certain cases of letters patent was introduced by Mr. Laurence Hyde, and was debated with unprecedented warmth for 4 days. The ministers and courtiers, who endeavored to support the prerogative, were overborne by a torrent of indignant and menacing eloquence. The populace openly cursed the monopolies, and declared that the prerogative should not be suffered to touch the old liberties of England. Seeing that resistance was no longer politic, or even possible, Elizabeth with admirable tact, sent a message to the House, that, understanding that divers patents which she had granted had been grievous to her subjects, some should be presently repealed, some super-

seded, and none put in execution, but such as should first have a trial, according to the law, for the good of the people. Robert Cecil, the secretary, added the more direct assurance that all existing patents should be revoked, and no others granted for the future. Overjoyed at their victory, the Commons waited upon the Queen with an address of thanks, to which she replied in an affectionate and even apologetic tone. 'Never since I was a queen,' she told them, 'did I put my pen to any grant but upon pretext and semblance made to me, that it was both good and beneficial to the subjects in general though a private profit to some of my ancient servants who had deserved well. * * * Never thought was cherished in my heart that tended not to my people's good.'

Black's *The Reign of Elizabeth*, on page 177, states:

"A striking testimony to the relatively humble position it occupied is furnished by the fact that in a reign (Elizabeth's) of 44½ years the total time spent in parliamentary discussions was only some 35 months."

In a note on the same page of Black's *The Reign of Elizabeth*, the author states:

"It (Parliament) had not even obtained full control over its own elections, controversies in regard to which were in many cases dealt with by the council (appointed by the Crown)."

From Black's *The Reign of Elizabeth*, on page 179, the following is quoted:

"It is in me and my power," said Elizabeth to the speaker in 1593, 'to call Parliaments; it is my power to end and determine the same; it is in my power to assent to or dissent to anything done in Parliament.'"

On page 193 of *The Reign of Elizabeth*, by Black, in discussing monopolies granted by the queen to her favorites, there is the following statement:

"As Francis Bacon pointed out, 'The queen as she is our sovereign, hath both an enlarging and restraining power. Wherefore * * * I say again and again, that we ought not to deal, to judge, or meddle with Her Majesty's prerogative.'"

Sir Robert Cecil, the Queen's secretary, is quoted on the same page, last above mentioned, as saying:

"Let me give you this note, that the time was never more apt to disorder and make ill interpretation of good meaning; I think those persons would be glad that all sovereignty were converted into popularity."

In Cheyney's *History of England*, at page 275, it is stated:

"It is of interest to note that the Queen used the expressions 'this Parliament' and 'Parliament's' * * * she hardly conceived of Parliament as a permanent institution. There was not in her view a coordinate branch of the government known as Parliament. * * * In the Parliament of 1597 she had expressed the judgment * * * that freedom of speech does not permit a Parliament to frame. * * *

"A state of government as to their idle braynes shall seeme meetest. She sayeth no king fit for his state will suffer such absurdities."

As indicating the attitude and claims of King James I there is submitted the following quotation from Taswell-Langmead's *English Constitutional History*, at pages 407 and 408:

"At a time when the growing spirit of freedom, the general diffusion of knowledge, and the revived study of Greek and Roman authors had caused a republican tendency to manifest itself in Parliament, and among the people, this * * * King (James) * * * was constantly asserting, in the most offensive form, the novel and monstrous theory of his divine right to absolute and irresponsible sovereignty. The doctrine had already been advanced by him some years before in

Scotland, in a treatise on the True Law of Free Monarchies. Adopted by the hierarchy and the courtiers, the theory of divine right was later on elaborated into a system by Filmer. * * * It was gravely maintained that the Supreme Being regarded hereditary monarchy, as opposed to other forms of government, with peculiar favor; that the rule of succession in order of primogeniture was a divine institution, anterior to the Christian, and even to the Mosaic dispensation; that no human power, not even that of the whole legislature, no length of adverse possession, though it extended to ten centuries, could deprive a legitimate prince of his rights; that the authority of such a prince was necessarily always despotic; that the laws, by which, in England and in other countries, the prerogative was limited, were to be regarded merely as concessions which the sovereign had freely made and might at his pleasure resume; and that any treaty which a king might conclude with his people was merely a declaration of his present intentions, and not a contract of which the performance could be demanded."

Not only did King James oppose the efforts of Parliament to exercise its right as the lawmaking authority of the realm, but he also undertook to control the courts. In the matter of commendams the King had a representative named Bilson sit in court to report what was done. Quoting from Taswell-Langmead, at pages 428 and 429:

"Bilson reported that the counsel for the plaintiffs, besides arguing the special points of the case, had disputed the King's general prerogative to grant a commendam. Hereupon James directed the Attorney General Bacon to write to the chief justice, ordering him and the rest of the judges not to proceed to judgment until they had spoken with the King. Coke shortly replied that if it was wished that the other judges should receive the information just given to him, Bacon had better write to them himself. This was done; but the next day, the judges, as if nothing had happened, proceeded with their arguments. On the day following, they despatched a letter to the King, signed by all the 12, informing His Majesty that, as they were unanimously of the opinion that the attorney general's letter was contrary to law, they felt bound by their oaths to pay no attention to it, and had accordingly proceeded with the case on the appointed day."

"The King, who was then at Newmarket, returned answer that the present case was one which concerned not merely the interests of private persons, but in which he himself was to all intents and purposes a party; that delay was necessary in order that he might lay before them his own case, and that the oath not to delay justice was not meant to prejudice the King's prerogative; and concluded by commanding them, of his absolute power and authority royal, not to proceed further in the cause till they should hear his pleasure from his own mouth. On his return to London, the 12 judges were summoned before the King and his council. James personally expatiated upon their misdemeanors both in substance and in the form of their letter certifying him merely what they had done, instead of submitting to his judgment what they should do. He told them it was their duty to check those advocates who presumed to argue against his prerogative; that the popular lawyers were the men who, ever since his accession, had trodden on his prerogative in all parliaments. * * * As soon as he had concluded, all the judges fell upon their knees and asked pardon for their error. But Coke, though he joined in demanding pardon, entered on a justification of their conduct, reiterating his opinion that the postponement required by the King was in fact a real delay of justice, contrary to the law and their oaths. At the desire of (King) James, the Lord Chancellor Ellesmere and the Attorney General Bacon then delivered their

opinions, which were directly opposed to that of the chief justice.

"The following question was then put to the judges, 1 by 1: 'Whether, if at any time in a case depending before the judges, His Majesty conceived it to concern him either in power or profit, and thereupon required to consult with them and that they should stay proceedings in the meantime, they ought not to stay accordingly?' All except Coke, fearful of offending the King, to whom they owed all their future prospects of professional advancement, promised to act in future according to the royal wishes. But from Coke no other answer could be extracted than that, whenever such a case should come before him, he would do what was fitting for a judge to do. The noble conduct of the chief justice on this occasion has deservedly obtained for him the admiration of posterity. Rather than prostitute the independence of the judicial bench to the arbitrary interference of the King, he showed himself ready to sacrifice, for conscience sake, the high position to which his own merits had raised him. Within a few weeks he was censured by the council and suspended from his office, and not long afterwards, in November 1616, received notice that he had ceased to be chief justice."

Following the reign of James I, King Charles I was even more arrogant in his attitude toward Parliament. Taswell-Langmead's English Constitutional History, at page 449, says:

"Charles opened the session (1627-28) with a proud and threatening speech. 'There is none here,' he said, 'but knows that common danger is the cause of this Parliament, and that supply, at this time, is the chief end of it. . . . Every man must now do according to his conscience; wherefore, if you (which God forbid) should not do your duties in contributing what the state at this time needs, I must, in discharge of my conscience, use those other means, which God hath put into my hands, to save that which the follies of some particular men may otherwise hazard to lose. Take not this as a threatening (for I scorn to threaten any but my equals), but an admonition from him that, both out of nature and duty, hath most care of your preservation and properties.'

"The Commons were not at all disturbed by this menacing language. They at once resolved themselves into a committee of grievances to consider 'the liberty of the subject in person and estate.' The principal matters discussed were: (1) Illegal exactions under the name of loans; (2) the arbitrary commitment of those who refused compliance, and especially the recent decision of the King's bench remanding Sir Thomas Darnel and others upon a habeas corpus; (3) the billeting of soldiers on private persons; and (4) the infliction of punishment by martial law. After passing resolutions 'That no freeman ought to be imprisoned or restrained by command of the King, or the privy council, or any other, except for lawful cause expressed in a lawful warrant; and that the ancient and undoubted right of every freeman is, that he hath a full and absolute property in his goods and estate; and that no tax, tallage, loan, benevolence, or other like charge ought to be commanded or levied by the King or his ministers without common assent of Parliament,' the Commons applied to the Lords for a conference, in order to agree on a petition to the King for a declaratory conformation of these liberties.

"The King tried hard to satisfy the Commons by offering his royal word not to arrest anyone without just cause, or a simple confirmation of the Great Charter and the other ancient statutes in favor of liberty. But Sir Edward Coke warned the House to proceed by bill. 'Was it ever known,' he said, 'that general words were a sufficient satisfaction for general grievances? The King's

answer is very gracious; but what is the law of the realm? That is the question. I put no diffidence in His Majesty; but the King must speak by record, and in particulars, and not in general. Let us put a petition of right; not that I distrust the King, but that I cannot take his trust, save in a parliamentary way.'

"The petition of right was then drawn up by the Commons."

To show also the extent to which the membership of the United States House of Representatives had become legislatively helpless, I cite Cannon's Precedents of the House of Representatives, volume VI, page VI, as follows:

"Under Speaker (Joseph) Cannon. Entrenched behind the power to appoint committees, with authority to extend or refuse control of the floor, sitting as chairman ex officio of the Committee on Rules, and exercising the right to count a quorum or declare a motion dilatory, the Speaker became an arbiter from whose decisions in chambers there was no appeal."

So autocratic was the power of the speaker-ship that contemporary historians characterized the office as "second in power only to the Presidency" or considered the Speaker of the House as "more powerful than the President of the United States."

Quoting from Fuller's Speakers of the House, page 269:

"This system in reality made him more powerful than the President of the United States. Without his consent and assistance, legislation was practically impossible. The President might recommend, but the Speaker dictated, legislation. He not only decided what legislation should be permitted but he even shaped the form of that legislation to conform to his own personal ideals."

Let us now consider what was said by the American champion of human rights, the great authority on democracy, Thomas Jefferson.

In order to assure the continuous evolution of democracy Jefferson considered it necessary that the mechanics of government should be such as to make it possible at any time for formal action on the part of the people, to assure adoption or rejection of policies in accordance with the will of the majority rather than to compel the people to plead for or against such policies with public officials whom they may have placed in power.

Under the Federal Constitution, direct control of lawmaking by the people is not, of course, possible.

Jefferson constantly stressed, however, the necessity for having laws and procedure which would make sure that legislative action and the administration of law would be in accord with the will of the people. By the United States Constitution all legislative power is vested in the Congress. Policies favored by the people may be made effective only through the action of Congress. It is true, of course, that the people elect the Congress but there is no legal power by which the people can force the Congress to enact laws carrying into effect policies desired by them.

It is important, therefore, that processes of legislation should be so devised and established as to assure as far as possible true responsiveness by members of Congress to the will of the people.

Indicating his belief in the greatest possible degree of direct control by the people, Jefferson in a letter to John Taylor, May 28, 1816, said:

"Indeed it must be acknowledged, that the term 'republic' is of very vague application in every language. Witness the self-styled republics of Holland, Switzerland, Genoa, Venice, Poland. Were I to assign to this term a precise and definite idea, I would say, purely, and simply, it means a government by its citizens in mass, acting directly and personally, according to rules, estab-

lished by the majority; and that every government is more or less republican in proportion as it has in its composition more or less of the ingredient of the direct action of the citizens.

"The further the departure from direct and constant control by the citizens, the less has the government of the ingredient of republicanism."

Jefferson in his letter to John Taylor said also:

"We may say with truth and meaning, that governments are more or less republican as they have more or less of the element of popular election and control in their composition; and believing as I do, that the mass of the citizens is the safest depository of their own rights, and especially that the evils flowing from the duperies of the people are less injurious than those from the egoism of their agents, I am a friend to that composition of government which has in it the most of this ingredient."

In a letter to Samuel Kerchival on July 12, 1816, Jefferson said:

"Governments are republicans only in proportion as they embody the will of their people and execute it."

Prof. Frank Parsons, in his book entitled "City for the People," says:

"Jefferson believed in direct legislation (though that expression was then unknown) and tried to get it into the Virginia constitution."

Speaking of the concentration of power even in a number of official hands, Jefferson in his notes on Virginia, said:

"It will be no alleviation that these powers will be exercised by a plurality of hands, and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one. Let those who doubt it turn their eyes on the Republic of Venice. As little will it avail us that they are chosen by ourselves. An elective despotism was not the government we fought for, but one which should not only be founded on free principles, but in which the powers of government should be so divided and balanced among several bodies of magistracy, so that no one could transcend their legal limits, without being effectually checked and restrained by others."

Before submitting suggestions as to procedure to be followed by the Democratic steering committee, let me call attention to facts which unequivocally require the committee to perform the duties indicated in said procedure.

Members of the steering committee of the majority party of the present House have been elected (not appointed by anyone) by the Democratic Members of the House from the respective steering committee zones.

This policy was first adopted in 1933 in order to make possible the expression of the sentiment of each zone through the member of the steering committee elected by the Democratic Members of the House from such zone.

When, therefore, the people of any zone state to their representatives their views as to policies of government, the steering committee member for such zone is then informed by his colleagues from such zone as to the attitude of the people in regard to such policy. The committeeman is then according to the principles of democracy required to present the proposed policy to the membership of the steering committee for proper consideration and action.

On January 19, 1943, the Democratic caucus of the 78th Congress adopted the following, to wit:

"Resolved, further, That the said committee (steering committee) shall be the policy-making committee of the House."

Policy is defined in Webster's New International Dictionary as follows:

"The settled method by which the government and the affairs of a nation are or may be administered."

The word, "steer" is defined in Webster's New International Dictionary as follows:

"To direct the course of; to guide, to govern."

In the light of the action taken by the Democratic caucus and in view of the meaning of the terms "steer" and "policy," the unavoidable conclusion is that the Democratic steering committee of the House, in order to carry out the duties imposed upon it by the Democratic caucus, the Democratic steering committee of the House should determine the program for the House. Unless the committee may "direct the course of" procedure it cannot "steer" in the true sense of the word, nor may it determine the policy of government unless it provides the "method by which" the affairs of the Nation may be administered.

Any compliance, therefore, with the directions of the Democratic caucus, requires the determining of the program of the House by the steering committee. Even more important than this, however, is the fact as already pointed out in the previous discussion that it is the only way by which even an approximate approach to effective initiative on the part of the individual Member of the House may be made possible and, therefore, the only way in which under our constitutional system, the will of the people may make itself immediately felt in the legislative branch of the Government.

The chairman proposes the following procedure:

First. Weekly meetings of the Democratic steering committee and such other meetings as the chairman on his own initiative or upon the request of five members of the steering committee shall call.

Second. At least once a week, not later than Friday, the steering committee shall stipulate the matters to be considered by the House during each of the days of the following week.

Third. If emergency requires such action, a subcommittee of the steering committee, numbering five members including the Speaker and the Democratic leader of the House, may rearrange the program in order to meet such emergency. A meeting of the total membership of the steering committee may, however, exercise the right of review and change such program to the extent it may decide if it considers such action necessary.

Fourth. Any action of the steering committee shall be, of course, always subject to approval or reversal by the Democratic caucus, when assembled according to the rules of the said caucus.

Fifth. The question has been asked as to what would be the function of the House party leader under the plan of procedure above proposed. The answer is that the leader would be the parliamentary expert and the strategist to carry out as far as possible the program of the steering committee.

H. R. 9680: The Effect of Diet on Agriculture

EXTENSION OF REMARKS OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. SIEMINSKI. Mr. Speaker, America seems to be going on a diet. Diets

call for less calories. Bread, cake, potatoes, butter, cream, sugar, and many other agricultural products high in calories usually appear on diet lists to be taken in greatly reduced quantities. The same applies to alcohol and tobacco.

Have we given consideration to what extent dieting has affected the market for agricultural products?

Opinion Poll Report for East Boston, Mass.

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. O'NEILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a partial report on the results of a questionnaire which I mailed early in April of this year to the residents of the district which I represent here in the Congress of the United States.

My purpose in conducting such an opinion poll during my first term here in Washington was not only to enable myself to better represent the people of my district, but to acquaint them personally with some of the vital issues here in Washington.

The number of returns, and the interest displayed, have been most gratifying. I feel that the poll has been mutually beneficial. Following is a copy of the letter which accompanied the questionnaire, and the tabulated results for East Boston, Mass.:

UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR NEIGHBORS: As your Representative here in Washington, it would be invaluable for me to have the opinions of the people of our congressional district on matters which are vital to all of us.

I realize that you elected me with the expectation that I would always exercise my own best judgment in arriving at a decision as to how the vote for our district will be cast. It is a responsibility and a privilege which I welcome, and I hope that I shall always merit your trust and confidence.

If I had available a cross section of the views of the residents of the 11th Congressional District, and also any comments they might have on any given subject, it would help in clarifying the issues and reaching a truly representative decision.

Attached is a questionnaire on a group of subjects. I will be indebted to you if you will answer them, and also give your views in the spaces allotted. You need not add your signature if you would prefer not to do so.

Each of the questionnaires returned will be read by me personally, and a tabulation will be made. I shall appreciate your cooperation and assistance, and I am looking forward to your response.

With every good wish,

Sincerely,

THOMAS P. O'NEILL, Jr.,
Member of Congress.

Questionnaire

	Yes	No	No opinion
FOREIGN POLICY			
1. Do you approve of the present method of handling our international relations?	659	986	115
2. Do you believe that the United States Government should continue our foreign-aid program?	1,225	486	149
3. Do you feel that we should continue military aid to foreign nations?	1,066	303	391
4. Do you favor the continuation of economic aid to foreign nations?	1,082	462	216
5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how, and management skills to underdeveloped nations to help them help themselves)?	1,546	36	178
6. Do you believe that Russia should be permitted to remain in the United Nations?	778	598	384
7. Do you believe Communist China should be seated in the United Nations?	282	1,230	248
TARIFF POLICY			
1. Do you support the present methods of handling tariffs?	277	846	637
2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker?	350	1,162	248
3. Do you understand the present Government method of handling tariffs?	671	637	452
STATEHOOD			
1. Do you favor conferring statehood on—			
(a) Alaska?	1,342	174	244
(b) Hawaii?	1,308	204	248
TAX POLICY			
1. Do you believe that the Federal Government should spend more money than it receives in income?	1,234	211	315
If opposed, which of these steps would you take—			
(a) Keep taxes high?	491	423	846
(b) Cut domestic spending?	598	318	844
(c) Cut military spending?	385	421	954
2. Do you feel taxes should be cut more than they already have been?	596	741	423
3. Do you support an increase in the exemption for dependents?	1,128	491	141
4. Do you favor cutting income taxes across the board percentage-wise?	1,424	984	352
5. Do you believe in more exemption for dividends and other unearned income?	526	950	284
6. Do you support exemptions to cover expenses for college educations?	1,124	458	178
7. Do you favor an exemption for the first \$1,500 of retired income?	1,230	282	248
SOCIAL SECURITY, HEALTH AND WELFARE			
1. Do you believe that the present 2-percent social-security tax on the employee should be maintained?	1,232	352	176
2. Do you believe it should be returned to 1½ percent?	350	880	530
3. Do you support an increase in old-age assistance benefits?	1,094	316	350
4. Do you favor an increase in the death benefits under social security?	984	408	368
5. Do you believe that hospitalization, sickness, and accident insurance should be covered by Federal law?	809	775	176

Questionnaire—Continued

	Yes	No	No opinion
HOUSING			
1. Do you believe that more low-cost housing should be built by the State and Federal Governments?	1,298	248	214
2. Do you believe these should be multiple-unit dwellings?	491	705	564
3. Do you feel they should be in two-family units?	424	773	563
LABOR LEGISLATION			
1. Are you in favor of raising the minimum wage?	1,055	422	283
2. Do you feel this would be helpful in New England insofar as competing with the Southern States is concerned?	774	457	529
3. In your opinion could small business afford an increase?	668	564	528
4. Do you believe that the Taft-Hartley Act is fair to management and labor?	598	740	422
(a) Would you favor outright repeal?	318	984	458
(b) Would you favor changes through amendments?	384	247	529
5. Are there sections of this law which you feel are oppressive to workers?	914	493	353
6. Are there, in your opinion, sections which are oppressive to small business?	668	318	774
ST. LAWRENCE SEAWAY			
1. Do you understand the questions involved in St. Lawrence seaway?	740	384	636
2. Do you feel that the construction of the seaway would hurt employment in our area?	384	705	671
3. Do you believe the St. Lawrence seaway would hurt the future economy of the New England area?	422	669	669
VOTING AGE			
1. Do you believe that persons who are 18 years old should be given the right to vote in national elections?	704	914	142
LOCAL ISSUES			
1. Do you believe the Port of Boston should have more Federal assistance?	1,115	153	392
2. In your opinion, is the Federal Government treating New England fairly on the policy of defense cutbacks?	284	632	844
Please use the back page for additional comments on any of these subjects and any other issues in which you are particularly interested.			
Name.....			
Address.....			

Withdrawing of Diplomatic Recognition of Government of the Polish Peoples Republic

EXTENSION OF REMARKS

OF

HON. TIMOTHY P. SHEEHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. SHEEHAN. Mr. Speaker, this week marks the beginning of the 10th year of our recognition of the new Polish Provisional Government of National Unity set up by the Soviets, about which the citizens of the United States were officially notified at 7 p. m., July 5, 1945.

In announcing this diplomatic recognition, President Truman stated that the establishment of this provisional government in Poland was an important and positive step in fulfilling the decisions regarding Poland reached at Yalta and signed on February 11, 1945. The President had received written confirmation from Mr. Edward Osobka-Morawski, Prime Minister of the Polish Provisional Government, that the new Polish Government had recognized the decisions of the Yalta Conference on the Polish question, and would hold free elections in Poland. Just so that there may be no misinterpretation of President Truman's position on this matter, the following is the letter written by Mr. Truman to the Polish Prime Minister:

His Excellency EDWARD OSOBKA-MORAWSKI,
Prime Minister of the Polish Provisional Government of National Unity, Warsaw, Poland:

I am gratified to learn from your message to me transmitted through your Ambassador at Moscow that the Polish Provisional

Government of National Unity was established on June 28, 1945, in conformity with the Crimea decision. I am pleased to note that Your Excellency's Government has recognized in their entirety the decisions of the Crimea Conference on the Polish question thereby confirming the intention of Your Excellency's Government to proceed with the holding of elections in Poland in conformity with the provisions of the Crimea decisions. The Government of the United States of America therefore on the basis of its assurances given at the Crimea Conference hereby establishes diplomatic relations with the Polish Provisional Government of National Unity. I have chosen as Ambassador Extraordinary and Plenipotentiary to Poland Mr. Arthur Bliss Lane, whom I have instructed to proceed to Warsaw as soon as possible.

Accept, Excellency, the assurances of my highest consideration.

HARRY S. TRUMAN.

On pages 9 and 10 of the original protocol of the proceedings of the Crimea Conference, the following statements were agreed to regarding Poland:

A new situation has been created in Poland as a result of her complete liberation by the Red army. This calls for the establishment of a Polish Provisional Government which can be more broadly based than was possible before the recent liberation of the Western part of Poland. The Provisional Government which is now functioning in Poland should therefore be reorganized on a broader democratic basis with the inclusion of democratic leaders from Poland itself and from Poles abroad. This new Government should then be called the Polish Provisional Government of National Unity.

M. Molotov, Mr. Harriman, and Sir A. Clark Kerr are authorized as a commission to consult in the first instance in Moscow with members of the present Provisional Government and with other Polish democratic leaders from within Poland and from abroad, with a view to the reorganization of the present Government along the above lines. This Polish Provisional Government

of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot. In these elections all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates.

When a Polish Provisional Government of National Unity has been properly formed in conformity with the above, the Government of the U. S. S. R., which now maintains diplomatic relations with the present Provisional Government of Poland, and the Government of the United Kingdom and the Government of the United States of America will establish diplomatic relations with the new Polish Provisional Government of National Unity, and will exchange ambassadors by whose reports the respective governments will be kept informed about the situation in Poland.

It would be redundant for me to detail here the Communist-controlled Polish Provisional Government's complete disregard of the terms of the Yalta agreement. It is common knowledge to all of us that the new Polish Provisional Government was not organized on a "broader basis with the inclusion of democratic leaders from Poland itself and from Poles abroad." The Soviet masters did not maintain their pledge to hold "free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot."

As in the case of our diplomatic recognition of the U. S. S. R. by President Roosevelt in 1933, the Communists again failed to keep their word and violated their pledged agreements.

I believe it is necessary that we in the United States delay no longer to prove to the world that our sense of national morality and righteousness precludes our further negotiating or entering into agreements with governments which have so consistently and flagrantly failed to honor and respect the terms of their every agreement.

We must show the people of Russia and the people of Poland that we do not respect the Communist masters who have enslaved them, and it seems that the only way we can positively show our moral strength is by withdrawing our diplomatic recognition of those regimes whose actions have so clearly shown the worthlessness of their written or spoken word.

In America we have millions of people who have migrated from Poland, and many more millions of their direct descendants who hope and pray for the day when Poland will again be a free nation and its yoke of Soviet tyranny will be lifted. We can bolster immeasurably the hope and confidence of these loyal fellow citizens in the ultimate freedom of Poland by withdrawing our diplomatic recognition from the Communist Government of Poland, now officially termed the Government of the Polish Peoples Republic, which has failed to honor the expressed terms and conditions upon which United States recognition was originally based.

Accordingly, I have today introduced House Resolution 621, which is as follows:

Whereas the present Government of the Polish Peoples Republic has failed to live up to its expressed agreements on which the

United States based its diplomatic recognition of that Government, then known as the Polish Provisional Government of National Unity, on July 5, 1945; and

Whereas the present Government of the Polish Peoples Republic is in no way representative of the majority of the Polish people or the democratic government envisaged in the decisions of the Crimea Conference on the Polish question: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives of the United States that the Government of the United States of America should withdraw forthwith its diplomatic recognition of the present Government of the Polish Peoples Republic.

Opinion Poll Report for Brighton, Mass.

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. O'NEILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a partial report on the results of a questionnaire which I mailed early in April of this year to the residents of the district which I represent here in the Congress of the United States.

My purpose in conducting such an opinion poll during my first term here in Washington was not only to enable myself to better represent the people of my district, but to acquaint them personally with some of the vital issues here in Washington.

The number of returns, and the interest displayed, have been most gratifying. I feel that the poll has been mutually beneficial. Following is a copy of the letter which accompanied the questionnaire, and the tabulated results for Brighton, Mass.:

UNITED STATES
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR NEIGHBORS: As your Representative here in Washington, it would be invaluable for me to have the opinions of the people of our congressional district on matters which are vital to all of us.

I realize that you elected me with the expectation that I would always exercise my own best judgment in arriving at a decision as to how the vote for our district will be cast. It is a responsibility and a privilege which I welcome, and I hope that I shall always merit your trust and confidence.

If I had available a cross section of the views of the residents of the 11th Congressional District, and also any comments they might have on any given subject, it would help in clarifying the issues and reaching a truly representative decision.

Attached is a questionnaire on a group of subjects. I will be indebted to you if you will answer them, and also give your views in the spaces allotted. You need not add your signature if you would prefer not to do so.

Each of the questionnaires returned will be read by me personally, and a tabulation will be made. I shall appreciate your co-operation and assistance, and I am looking forward to your response.

With every good wish,

Sincerely,

THOMAS P. O'NEILL, Jr.,
Member of Congress.

Questionnaire

	Yes	No	No opinion
FOREIGN POLICY			
1. Do you approve of the present method of handling our international relations?	391	475	145
2. Do you believe that the United States Government should continue our foreign-aid program?	624	293	94
3. Do you feel that we should continue military aid to foreign nations?	821	139	51
4. Do you favor the continuation of economic aid to foreign nations?	673	244	94
5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how and management skills to underdeveloped nations to help them help themselves)?	898	92	21
(a) Do you believe this program should be reduced?	112	566	383
6. Do you believe that Russia should be permitted to remain in the United Nations?	556	404	51
7. Do you believe Communist China should be seated in the United Nations?	142	828	41
TARIFF POLICY			
1. Do you support the present methods of handling tariffs?	151	344	516
2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker?	141	719	151
3. Do you understand the present Government method of handling tariffs?	314	425	272
STATEHOOD			
1. Do you favor conferring statehood on—			
(a) Alaska?	718	162	131
(b) Hawaii?	788	142	81
TAX POLICY			
1. Do you believe that the Federal Government should spend more money than it receives in income?	111	829	71
If opposed, which of these steps would you take—			
(a) Keep taxes high?	212	314	485
(b) Cut domestic spending?	475	141	395
2. Do you feel taxes should be cut more than they already have been?	303	283	425
3. Do you support an increase in the exemption for dependents?	161	759	212
4. Do you favor cutting income taxes across the board percentage-wise?	344	455	191
5. Do you believe in more exemption for dividends and other unearned income?	222	526	263
6. Do you support exemptions to cover expenses for college educations?	283	556	172
7. Do you favor an exemption for the first \$1,500 of retired income?	819	121	71
SOCIAL SECURITY, HEALTH AND WELFARE			
1. Do you believe that the present 2 percent social security tax on the employee should be maintained?	778	91	142
2. Do you believe it should be returned to 1½ percent?	61	718	232
3. Do you support an increase in old-age assistance benefits?	789	111	111
4. Do you favor an increase in the death benefits under social security?	577	222	212
5. Do you believe that hospitalization, sickness, and accident insurance should be covered by Federal law?	292	608	111
HOUSING			
1. Do you believe that more low-cost housing should be built by the State and Federal Governments?	455	475	81
2. Do you believe these should be multiple-unit dwellings?	172	465	374
3. Do you feel they should be in 2-family units?	170	431	410
LABOR LEGISLATION			
1. Are you in favor of raising the minimum wage?	546	363	102
2. Do you feel this would be helpful to New England insofar as competing with the Southern States is concerned?	435	344	232
3. In your opinion could small business afford an increase?	354	323	334
4. Do you believe that the Taft-Hartley Act is fair to management and labor?	394	334	283
(a) Would you favor outright repeal?	142	536	333
(b) Would you favor changes through amendments?	485	121	405
5. Are there sections of this law which you feel are oppressive to workers?	324	293	394
6. Are there, in your opinion, sections which are oppressive to small business?	263	243	505
ST. LAWRENCE SEAWAY			
1. Do you understand the questions involved in the St. Lawrence seaway?	545	233	233
2. Do you feel that the construction of the seaway would hurt employment in our area?	273	374	364
3. Do you believe the St. Lawrence seaway would hurt the future economy of the New England area?	253	394	364
VOTING AGE			
1. Do you believe that persons who are 18 years old should be given the right to vote in national elections?	375	596	40
LOCAL ISSUES			
1. Do you believe the port of Boston should have more Federal assistance?	566	172	273
2. In your opinion, is the Federal Government treating New England fairly on the policy of defense cutbacks?	172	496	343
Please use the back page for additional comments on any of these subjects, and any other issues in which you are particularly interested.			
Name.....			
Address.....			

The Responsibility of the CAB to the All-Cargo Air Carriers

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. ENGLE. Mr. Speaker, in regard to the appropriation for the Civil Aeronautics Board and for payment of

subsidy aid to the passenger-carrying airlines, a great deal has been said heretofore to justify the appropriation regarding the great need and importance of granting this Government aid to the passenger airlines in order that we might maintain adequate civilian air support available to the military when needed for national defense, and that we might also be assured of adequate airmail service for the Nation.

I feel that this is a most appropriate time to bring to the attention of the Congress that a relatively new and extremely important segment of our air industry,

developed by an able group of young veterans of World War II, the nonsubsidized all-cargo airlines, actually made the largest contribution to the recent Tokyo airlift of any segment of our air industry during the Korean hostilities; in fact, these nonsubsidized cargo carriers flew more than 55 percent of the entire tonnage moved by our civilian airlines during this emergency.

Furthermore, one of these all-cargo carriers, the Flying Tiger Line, Inc., now the largest cargo air line in the world, has offered to carry mail for the Government without subsidy at about one-third of the minimum service rate now being paid by the Government for the carriage of airmail. Although their applications have been pending for many months, no action has as yet been taken by the Civil Aeronautics Board. On the other hand, the passenger air lines have been permitted by the Board to compete with the cargo lines in the freight field, with their competition subsidized by supplemental revenues from mail, express, passengers, and actually also by Government subsidy aid.

Under the Civil Aeronautics Act of 1938, the Civil Aeronautics Board has the responsibility for the encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service, and of the national defense. Nowhere in the Civil Aeronautics Act is the Board's responsibility limited to the development and encouragement of passenger air lines alone. In the declaration of policy by the Congress, it was intended that all worthwhile segments of civil aeronautics be encouraged in their proper and adequate development by the Civil Aeronautics Board, and subsidy aid was provided for by the Congress merely as one of the means whereby the Civil Aero-

nautics Board might assist in maintaining adequate air transportation required for the commerce of the United States, the postal service, and the national defense. Nowhere in the Civil Aeronautics Act is it suggested that the interest of the Civil Aeronautics Board in the development of adequate civil aviation be limited to those air lines who receive subsidy aid or who are made eligible by the Board to receive such Government aid.

During the past year a study of Federal aviation policies has been made at the request of the President of the United States by his Air Coordinating Committee. A report entitled "Civil Air Policy" was made by the Committee on May 1, and on May 26, this year, the President adopted the report "as a guide in future consideration of questions related to the subject of civil aviation and in making recommendations to Congress." I quote briefly from portions of the report regarding air cargo:

The potential value of a healthy and expanding air-cargo industry to our economy and national defense has become increasingly apparent. A quickened industrial pace, combined with the national need to utilize our resources more efficiently, promises to make the movement of cargo by air as essential as the established need for air carriage of persons and mail.

Proper growth of the air-cargo industry will provide, in addition to economic benefits, a civil air-cargo fleet forming a substantial security asset in the event of national mobilization.

The further development of the air-cargo industry, with particular emphasis on all-cargo services, is in the national interest and should be encouraged.

The President's Air Coordinating Committee report continues on at some length regarding the national importance of the cargo airlines and makes a number of recommendations as to ways in which Federal agencies should encourage the

development and maintenance of a healthy cargo industry by expanded use of civil cargo airlift, by granting all-cargo carriers certificates of longer duration to enable them to obtain adequate financing, and so forth. It would be certainly consistent with the President's civil air policy, as well as with the intent of Congress as expressed in the Civil Aeronautics Act, for the Civil Aeronautics Board to permit all-cargo carriers of proven worth and stability, such as the world's largest all-cargo carrying airline, the Flying Tiger Line, Inc., to carry such cargo as express, parcel post and mail, which come rightfully within the category of property or cargo, which these airlines are especially equipped to handle.

Recently on May 18, Mr. Robert W. Prescott, president of the Flying Tiger Line, Inc., testified before the Interstate and Foreign Commerce Committee of the Senate regarding the current status of the all-cargo airlines. Mr. Prescott's statement is, in my opinion, extremely worthwhile and I believe will be of considerable interest to Members of the House of Representatives—it was placed in the Appendix of the daily CONGRESSIONAL RECORD on June 30, 1954.

While we are being asked by the Civil Aeronautics Board for millions of dollars in appropriations to enable them to carry out that part of their responsibility for the maintenance of services by the passenger airlines, I take this opportunity to remind the Board and to call to the attention of the Congress that the Board also has a responsibility under the Civil Aeronautics Act of 1938 for fostering and maintaining a healthy air freight industry, which has become essential to our economy and to the national defense by such action by the Board as will reflect equitable treatment for this segment of the aviation industry under existing law and existing executive policy.

SENATE

TUESDAY, JULY 6, 1954

(Legislative day of Friday, July 2, 1954)

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

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

O Thou God of our fathers, to the high altar of Thy everlasting mercy we come each with his private need which only Thou knowest. We return to the hard and stern facts of the present bitterly divided world, after our hearts have been strangely moved by the inspiring spectacle of our dear land of the free reveling in the celebration of its dearly bought liberties, and resolving with new vows registered in heaven to defend and preserve our heritage against all foes. As the sacred memories of dark and doubtful days, when was launched this noble experiment dedicated to the freely expressed will of all the people, again stir the Republic on the birthday of the state, may we the spiritual heirs of the founders follow in their train, in these

most perilous days since the clanging bell rang out its great glad tidings proclaiming liberty to all the land. We ask it in the name of that One whose truth makes men free. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 6, 1954.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. GLENN BEALL, a Senator from the State of Maryland, to perform the duties of the Chair during my absence.

STYLES BRIDGES,

President pro tempore.

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

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 2, 1954, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 9680. An act to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

COMMITTEE APPOINTED TO ATTEND FUNERAL OF THE LATE SENATOR BUTLER OF NEBRASKA

The ACTING PRESIDENT pro tempore announced that, pursuant to the second resolving clause of Senate Resolution 274, agreed to July 1, 1954, the Vice President had appointed the following Senators to constitute, together with the Vice President, the committee on the part of the Senate to attend the funeral of the late Senator Butler of Nebraska: