

SENATE

FRIDAY, JULY 10, 1953

(Legislative day of Monday, July 6, 1953)

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

Rev. Hamilton P. Fox, minister, Wilson Memorial Methodist Church, Baltimore, Md., offered the following prayer:

Almighty God our Father, we would stand penitent, reverent, and receptive in Thy presence. Forgive our sins, and grant us the privilege of working together with each other and with Thee in common interests of Thy holy will. Give us, we pray, humility of spirit, clarity of vision, correctness of understanding, and fearless courage that we may both know and do that which is good. May our eyes not be dazzled by the superficial brilliance of things. May our ears not be deafened with the alluring and confusing noise of things. May we not mistake movement for advance and change for improvement. May we deeply know that the basis of civilization is spiritual, that the creative dynamic that gives purpose and value to life is the love of God. Moved by this conviction and aided by Thy continued mercy, may we serve effectively. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 9, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

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:

On July 9, 1953:

S. 694. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

On July 10, 1953:

S. 106. An act for the establishment of a Commission on Governmental Operations; and

S. 1514. An act to establish a Commission on Intergovernmental Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of

such works of improvement for power purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy; and

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

LEAVES OF ABSENCE

On request of Mr. CLEMENTS, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KILGORE was excused from attendance on the sessions of the Senate today, tomorrow, and next week.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KERR, Mr. LEHMAN, and Mr. SMATHERS were excused from attendance on the sessions of the Senate today and tomorrow.

COMMITTEE MEETING DURING
SENATE SESSION

On request of Mr. MARTIN, and by unanimous consent, the Committee on Public Works was authorized to meet this afternoon during the session of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

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

EXECUTIVE REPORT OF A
COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency:

A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Com-

mission, for the remainder of the term expiring June 5, 1954, vice Donald C. Cook, resigned.

NOMINATION OF J. SINCLAIR ARMSTRONG TO BE MEMBER OF SECURITIES AND EXCHANGE COMMISSION—EXECUTIVE REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, the Committee on Banking and Currency unanimously approved the nomination of J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1958. From that committee I now report the nomination. I should like to be privileged to make a personal statement on the nomination.

The VICE PRESIDENT. The nomination will be placed on the executive calendar. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, the personal record of Mr. Armstrong is a very honorable one. He has divested himself of his interest in the law firm in which he was formerly a partner. I believe the RECORD should show that the law firm of which he was formerly a member, Isham, Lincoln & Beale, served for many years as the attorneys for the Commonwealth Edison and Public Service Co. of Northern Illinois, which were the two chief companies in the so-called utility empire of Mr. Samuel Insull. However, it is true that Mr. Armstrong joined the firm some years after Mr. Insull had passed out of the picture. So far as I can tell, he has had no connection whatever with the rather tangled financial operations of the Insull firm.

Since I do not believe in guilt by association, I joined in voting for approval of his recommendation. But I believe that that fact, which appears in the records of the Committee on Banking and Currency, should be known to the Senate.

Mr. DIRKSEN. Mr. President, I listened with interest and I appreciate the statement of my colleague the senior Senator from Illinois (Mr. DOUGLAS), with respect to the nomination of J. Sinclair Armstrong as a member of the Securities and Exchange Commission. The nomination has my approval and I was grateful for the privilege of presenting Mr. Armstrong's name to the Committee.

I may say, only for general information, that Mr. Armstrong is a young man, aged 38 years; he is a lawyer; he is a family man; he is a veteran. He has had an extraordinary amount of contact with the Securities and Exchange Commission. I stated to the Committee on Banking and Currency this morning that he has qualified probably \$100 million worth of securities. I think we can be proud of the nominee, as one who is thoroughly familiar, not only with the act he must administer but also with all the proceedings involved therein. Therefore, the nomination has my unequivocal endorsement.

AGREEMENT REGARDING STATUS OF FORCES OF PARTIES TO NORTH ATLANTIC TREATY—RESERVATION

Mr. DIRKSEN. Mr. President, it is my understanding that next week the Senate will consider the treaty on the executive calendar which is identified as Executive T, 82d Congress, 2d session. It deals with the status of our forces under the North Atlantic Treaty signed at London on June 19, 1951. Some reference has been made on the floor to the treaty and to the jurisdiction of foreign courts over civilians, dependents, and soldiers who are citizens of our country. It is to that treaty that I submit a reservation intended to be proposed by me. I may say that the reservation in substance tries to effectuate to a considerable degree the basic principle involved in the so-called Bricker amendment.

The VICE PRESIDENT. The reservation will lie on the table and will be printed.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Chief Clerk read the nomination of Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MARITIME BOARD

The Chief Clerk read the nomination of Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

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

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

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

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

The VICE PRESIDENT. 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 and that further proceedings under the quorum call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF ACT OF DECEMBER 3, 1942, RELATING TO BENEFITS FOR CERTAIN OFFICERS OF COAST AND GEODETIC SURVEY

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of December 3, 1942, relating to benefits for certain officers of the Coast and Geodetic Survey (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY RECORDS

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1952, through December 31, 1952 (with an accompanying report); to the Committee on the Judiciary.

LAWS ENACTED BY TWENTIETH SPECIAL SESSION OF SEVENTEENTH LEGISLATURE OF PUERTO RICO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a certified copy of the acts of the 20th special session of the 17th Legislature of Puerto Rico (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPEHART, from the Committee on Banking and Currency:

S. 2104. A bill to authorize the payment of compensation to Clarence A. Beutel, formerly Deputy Administrator of the Reconstruction Finance Corporation, for the period from September 10, 1952, through June 1, 1953; without amendment (Rept. No. 518); and

S. Res. 136. Resolution increasing the limit of expenditures by the Committee on Banking and Currency; without amendment; and,

under the rule, the resolution was referred to the Committee on Rules and Administration.

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

S. 1442. A bill to amend section 202 (e) of the Federal Power Act, with respect to the jurisdiction of the Federal Power Commission over persons and facilities engaged in the transmission or sale of electric energy to foreign countries; with amendments (Rept. No. 513).

By Mr. BARRETT, from the Committee on the District of Columbia:

H. R. 3704. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; with amendments (Rept. No. 516).

By Mr. BEALL, from the Committee on the District of Columbia:

S. 2305. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, and to provide for the giving of security and proof of financial responsibility by persons driving or owning vehicles of a type subject to registration under the laws of the District of Columbia; with an amendment (Rept. No. 515).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

H. R. 5451. A bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; with amendments (Rept. No. 520).

DEVELOPMENT AND PRODUCTION OF TUNGSTEN ORES AND CONCENTRATES—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, and I submit a report (No. 517) thereon.

Mr. President, no new appropriation or no new authorization is included in the bill. It provides for an extension of the time for 2 years in which the law already passed can be satisfied as to the amounts of the mineral that is to be purchased. It was found that the time was too short to carry out the contracts. The purpose of the bill is to extend the time.

I ask that the bill and the report be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the bill and report will be printed in the RECORD.

The bill and report are as follows:

Be it enacted, etc., That this act may be cited as the "Domestic Minerals Program Extension Act of 1953."

DECLARATION OF POLICY

SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict or of political instability within those nations controlling the sources of supply of such materials gravely endangers the present and future economy and security of the United States. It is therefore declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities

concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further and to eliminate where possible the dependency of the United States on overseas sources of supply of each such material.

SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension periods provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin.

SEC. 4. In order that those persons who produce or who plan to produce under purchase programs established pursuant to Public Law 774 (81st Cong.) and Public Law 96 (82d Cong.) may be in position to plan their investment and production with due regard to requirements, the responsible agencies controlling such purchase programs are directed to publish at the end of each calendar quarter the amounts of each of the ores and concentrates referred to in section 3 purchased in that quarter and the total amounts of each which have been purchased under the program.

[S. Rept. No. 517]

DOMESTIC TUNGSTEN PROGRAM EXTENSION ACT OF 1953

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The House Interior and Insular Affairs Committee held hearings on the measure, receiving testimony from members of the mining industry and from the executive agencies. The Senate committee held a hearing on the need for inclusion of the minerals added by the amendment and, in addition, considered a number of communications and reports relative to the measure and the amendment.

THE AMENDMENT

On page 1, line 3, strike out all after the enacting clause, up to and including line 20 on page 2, and in lieu thereof insert the following:

"That this act may be cited as the 'Domestic Minerals Program Extension Act of 1953.'

"DECLARATION OF POLICY

"SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict, or of political instability within those nations controlling the sources of supply of such materials, gravely endangers the present and future economy and security of the United States. It is, therefore, declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development,

production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further, and to eliminate where possible, the dependency of the United States on overseas sources of supply of each such material.

"SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension period provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin."

Amend the title so as to read: "A bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes."

PURPOSE OF THE MEASURE

The primary purpose of H. R. 2824, as amended, is to afford American producers of tungsten, manganese, chromite, and other strategic and critical minerals set forth in the amendment, a period of certainty in which they may make plans and investments for achievement of the production goals that have been set for them. To accomplish this purpose, the programs established under the Defense Production Act as amended are extended 2 years, or until July 1, 1958, with a proviso that this date shall not preclude the administrative agencies from extending such programs beyond July 1, 1958, or increasing the quantity of minerals obtained under them if conditions warrant.

A complete schedule of the program for each of the minerals in the bill as amended, prepared by the staff of the committee, is set forth below in this report.

No appropriation of Federal funds is called for in the measure, allocations already having been made for the minerals' programs from general defense production appropriations.

EXPLANATION OF THE AMENDMENT

As passed by the House, H. R. 2824 provided for the tungsten program only, since no hearings had been held on the other strategic and critical minerals. In the Senate, however, a measure introduced by the chairman of the Minerals and Fuels Subcommittee of the Senate Interior Committee, S. 1620, included the other strategics along with tungsten, and the subcommittee held a hearing and considered the provisions of S. 1620 along with the House bill. By unanimous vote of the subcommittee the provisions of S. 1620 were substituted for sections 1, 2, and 3 of the House bill, thus adding manganese, chromite, and the other strategics listed to tungsten.

At the same time the committee retained section 4 of H. R. 2824, which had been added in committee by the House, providing for the publication by the responsible administrative agencies of the amounts of each of the ores purchased during the previous quarter. This provision was deemed desirable in order that producers may plan their production schedules on the basis of

the factual situation with respect to the programs.

NEED FOR MEASURE

All the minerals for which provision is made in H. R. 2824 as amended are vital to the security of the United States, both for defense and for peacetime industrial uses. As to tungsten, large quantities are used for purposes which require resistance to high temperatures and the corroding effects of gases. For example, tungsten is essential for production of jet-airplane engines, certain machine tools, and rock-drilling equipment.

At present, stockpile goals of metal on hand have not been achieved by half. In 1952 the United States mine output of tungsten was 1,792 tons of 60 percent WO₃. The domestic consumption was 2,268 tons. During the first quarter of 1953, United States mine output was 2,123 tons. Consumption was 2,412 tons, while imports were 6,897 tons of WO₃. A large part of our needs was formerly imported from China, but with the shutting off of that source South America, Africa, and Europe have been suppliers. Experience dictates that such sources might not be available in case of all-out war.

There is little question but that under a proper long-range congressional policy the United States can become self-sufficient in the production of this indispensable metal.

Similarly, supplies of the other metals listed are essential to our security and economic development. Manganese is necessary to the production of steel. Chromite is a steel hardener, and is used in stainless steel and as a plating on other metals where resistance to corrosion from gases or liquids is required. Mica is needed in the production of many electronic devices. Asbestos has a variety of critical uses in heat and friction insulation. Beryl is added to copper and other metals as a hardener to make them resistant to deflection and to increase their ability to withstand stresses. Columbium and tantalum have limited but highly critical uses as resistors to high temperatures.

It will be noted from the programs table set forth below that production goals for the latter minerals are small, and the total amounts of money involved not large. They are essential, however, in the uses for which they are required.

It is but factual to report that the United States could not fight a war with modern weapons without assured resources of the critical and strategic minerals for which provision is made in H. R. 2824, as amended. The peril to our national security from dependence upon oceanborne supplies in the event of active, large-scale hostilities is self-evident. Clearly it is essential to our security that domestic resources of these minerals be developed and maintained in the United States.

THE PROGRAMS

There is set forth below (a) a committee staff study showing the defense production goals for each of the strategics for which provision is made in H. R. 2824, as amended, and (b) a report from the Administrator of the General Services Administration, showing the status of the programs and the rate at which acquisitions would have to be made to attain the goals. These statistics made abundantly clear the need for this legislation.

JULY 8, 1953.

Memorandum.

To: Senator GEORGE W. MALONE.

From: George B. Holderer, mining consultant.

Subject: S. 1620—Information regarding purchase programs on the minerals mentioned in this bill.

These programs were authorized by Defense Materials Procurement Agency. In each case the program is terminated when the quantity is acquired or the date is reached, whichever comes first.

Commodity	Date of termination of purchase program	Quantity to be acquired	Price
Tungsten	July 1, 1956	3,000,000 short-ton units	\$63 per unit.
Chromite	June 30, 1955	200,000 long-ton units. (Phillipsburg, Butte, 6,000,000 long-ton units. Deming, Ariz., 6,000,000 long-ton units.)	\$110 for concentrates; \$115 for lump.
Manganese	June 30, 1956	Wenden, Ariz., 6,000,000 long-ton units. Carlot, national, 19,000,000 long-ton units.	\$2.30 per long-ton unit.
Mica	June 30, 1955	25,000 short tons	A. Price range from \$13 to \$70 per pound. B. \$600 per ton.
Asbestos	Oct. 1, 1955	1,500 short tons	Prices range from \$400 to \$1,500 per short ton.
Beryl	June 30, 1955	do	\$400 per short ton.
Columbium-tantalum	Dec. 31, 1956	15,000,000 pounds	\$1.40 per pound, plus 100-percent bonus, containing not less than 35 percent oxide.

REPORT OF W. M. B. FREEMAN, ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION, JULY 7, 1953

[Totals shown accepted under various minerals are reported as of June 26, 1953]

Tungsten: 259,043 short-ton units accepted.

Program began May 1951; ends July 1, 1956, or when 3 million units accepted. To reach objective by July 1, 1956, acceptances would have to be at rate of 600,000 units per year.

Manganese: 12,232 tons accepted.

Butte and Phillipsburg, Mont., purchase depots. Depots opened November 26, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year, or approximately 50,000 to 60,000 tons per year.

Deming, N. Mex.: 19,631 tons accepted.

Depot opened December 15, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year or approximately 50,000 to 60,000 tons per year.

Wenden, Ariz.: 38,566 tons accepted.

Depot opened January 26, 1953; ends June 30, 1956, or when 6 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 1,700,000 units per year, or approximately 70,000 tons.

Carlot program: 3,558 tons accepted.

Started July 1952; ends June 30, 1956, or when 19 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 4,750,000 units per year, or approximately 118,000 tons per year.

Chromite: 29,351 tons accepted.

Grants Pass, Oreg., purchase depot. Depot opened August 6, 1951; ends June 30, 1955, or when 200,000 tons accepted. To reach objective, acceptances per year would have to be at rate of 50,000 tons.

Mica: 128,517 pounds accepted.

Depots opened July and August 1952; ends June 30, 1955, or when 25,000 short tons of hand-cobbed mica or its equivalent have been accepted. The equivalent is 2,250,000 pounds of processed mica. (This is the figure to compare to the 128,517 pounds accepted to June 26, 1953, as shown above.) To meet objective, acceptances would have to be at rate of 750,000 pounds per year.

Beryl: 92,727 pounds accepted.

Started October 1952; ends June 30, 1955, or when 1,500 short tons accepted. To meet objective, acceptances would have to be at rate of approximately 600 tons or 1,200,000 pounds per year.

Columbium-tantalum: 1,095 pounds accepted.

Started October 1952; ends December 31, 1956. The domestic program is tied in as far as objective is concerned with an international program. The total objective is 15,000,000 pounds. To reach the total objective from all sources would require a rate

of acceptances from all sources of approximately 3,750,000 pounds per year.

Asbestos: 20.3 short tons accepted.

Depot at Globe, Ariz. Started October 1, 1952; ends October 1, 1955, or when acceptances reach 1,500 short tons of crude No. 1 and/or crude No. 2. To reach objective, acceptances per year would have to be at rate of 500 tons per year.

POSITION OF ADMINISTRATIVE AGENCIES

As will be noted from the reports of the administrative agencies, their stated opposition to H. R. 2824 has been based upon the need for overall extension of the Defense Production Act, rather than opposition to the programs themselves. On the night of June 30 the Senate adopted the conference report on S. 1081, which provided for such general extension, and this measure has become Public Law 95, 83d Congress. Therefore, the stated objections of the administrative agencies would now appear to have been met.

However, the need for H. R. 2824 as amended continues despite the general extension of the Defense Production Act. The general extension makes continuance of the programs for the strategic and critical minerals merely discretionary with the administrative agencies. Under it producers would not be justified in making the investment and long-range plans for achievement of the production goals required. The terms of H. R. 2824, as amended, on the other hand, make continuance of the programs mandatory and thus afford the required certainty.

REPORTS OF THE EXECUTIVE AGENCIES

The reports of the executive agencies, which are discussed above, are set forth in full:

OFFICE OF THE SECRETARY OF DEFENSE,

Washington, D. C., May 13, 1953.

Hon. A. L. MILLER,

Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H. R. 2823, 83d Congress, a bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes, and H. R. 2824, 83d Congress, a bill to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes.

Both of these bills have as their objective the elimination or reduction of the dependency of the United States on overseas sources of supply for strategic or critical minerals and metals. They seek to attain this objective by extending for 2 years existing purchase programs being conducted by executive agencies pursuant to authority granted under title III of the Defense Production Act of 1950, as amended. H. R. 2823 covers tungsten

and several other minerals and H. R. 2824 covers tungsten alone.

The Department of Defense strongly supports the objectives of these bills. While this Department does not administer the existing programs for the encouragement of domestic exploration, development, and mining of minerals, it, of course, has a direct and substantial interest in their success. The Defense Production Act of 1950, as amended, specifically title III thereof, provides a sound basis for such action as may be necessary to assure the availability, insofar as possible, of any metal or mineral essential to the manufacture of supplies and materials for the Armed Forces.

This Department believes that legislative provisions comparable in scope to title III of the Defense Production Act of 1950, as amended are necessary to provide for the mineral and metal requirements of the existing and contemplated defense production effort. As you know, the matter of extension of the Defense Production Act is now before the Congress. This Department has recommended to the Congress that the provisions of title III be continued until June 30, 1954.

The authority now contained in title III of the Defense Production Act of 1950, as amended, permits appropriate programs for all strategic and critical minerals or metals, including those dealt with by H. R. 2823 and H. R. 2824, and it is believed that the coverage and flexibility of this existing authority is better calculated to achieve the objectives sought by the 2 bills. In addition, it appears that the language of the two bills might be interpreted as intended to have the effect of mandatorily extending contracts or commitments entered into under existing programs. It is believed that the agencies administering the programs should have the power to determine the desirability of extensions in particular cases in the light of the future supply situation and the condition of stockpiles.

For the foregoing reasons the Department of Defense does not recommend that these bills be enacted into law.

In view of the urgency of this matter, this report has not been submitted to the Bureau of the Budget for advice as to the relationship of H. R. 2823 and H. R. 2824 to the program of the President.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

DEFENSE MATERIALS PROCUREMENT AGENCY, Washington D. C. March 20, 1953.

Hon. A. L. MILLER,

Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2824.

The purpose of the bill is to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories, and possessions.

Please refer to my letter of March 18 concerning H. R. 2823. The principles upon which this Agency opposes enactment of H. R. 2823 apply similarly to H. R. 2824. This bill would grant no authority which does not exist under the Defense Production Act of 1950, as amended, and, in fact, falls far short of the act in providing the authority needed in promoting the national security.

In view of the urgency of your request, it was not possible to obtain the customary budget clearance prior to the submission of this report, copy of which is being furnished to the Director of the Bureau of the Budget.

Respectfully submitted,

TOM LYON,
(For Howard I. Young, Deputy Administrator).

DEFENSE MATERIALS,
PROCUREMENT AGENCY,

Washington, D. C., March 18, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and
Insular Affairs, House of Representa-
tives, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2823.

The purpose of the bill is to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories and possessions.

This Agency concurs in the declaration of policy contained in section 2 of the bill but, in view of the information available, it would be unrealistic to assume that the United States can decrease its dependency on foreign sources of supply with respect to certain minerals covered in the bill, especially mica and columbium-tantalum.

Section 3 provides for mandatory extension of the termination dates of all purchase programs designed to stimulate the domestic production of the aforementioned minerals as established by regulations issued pursuant to the Defense Production Act of 1950, as amended, for an additional 2 years, but provides only negative authority to increase the quantities of minerals which could be purchased under the projected programs. It is believed that such a negative provision concerning authority to increase goals or quantities would render ineffective the purpose of the bill. Even if that defect were corrected by amendment some provision would have to be made for stockpiling or controlling distribution of production of minerals no longer considered to be in short supply, otherwise the unbalanced supply against demand would certainly render continued production of such minerals economically unsound with respect to the producers.

H. R. 2823 contains no authorization for the appropriation of funds and there is no existing legislation which would permit use of any funds authorized by other legislation in carrying out the purpose of this bill beyond a limited application of funds appropriated pursuant to the Stock Piling Act (50 U. S. C. 98 et seq.).

It is the view of this Agency that the authorities in title III of the Defense Production Act of 1950, as amended, provide the fundamental requirements necessary to insure, as much as it is possible to do so under the circumstances, adequate supplies of strategic materials. Even if H. R. 2823 were amended in accordance with the above observations, it still would fall far short of the Defense Production Act in providing the authority necessary to procure the means with which to meet the tests of the uncertain future. Greater authority than is contained in the act may not be needed, but less authority should not be considered. Concurrent authority under the act and this proposed legislation would be misleading to the mining industry, confusing to administer, uneconomical to all, and wholly unnecessary.

In view of the foregoing, this Agency is constrained to recommend against enactment of H. R. 2823 in anticipation of an extension of title III of the Defense Production Act of 1950, as amended.

In view of the urgency of your request, it has not been possible to obtain the customary budget clearance prior to submission of this report. A copy, however, is being sent this date to the Director of the Bureau of the Budget.

Respectfully submitted,

TOM LYON
(For Howard I. Young, Deputy
Administrator).

The Committee on Interior and Insular Affairs recommends the enactment of H. R. 2824 as reported.

Mr. MALONE. Mr. President, under the congressional policy, or more exact, the absence of such a long-range policy the only incentive for mineral production of such metals in such contracts as purchase legislation.

For example, the 1952 production of tungsten was 1,792 tons of 60 percent WO₃, while the domestic consumption was 2,268 tons. The United States production during the first quarter of 1953 was 2,123 tons; the consumption was 2,412 tons, while the imports were 6,897 tons. Under proper conditions this Nation could become self-sufficient in the production of tungsten.

Mr. President, it is the unanimous report of the committee on the bill, and, as previously stated no new legislation is proposed, and no new money is involved. It is simply an extension of the time within which to carry out the contract.

PLACING OF INSCRIPTION "UNITED STATES OF AMERICA" ON CONTAINERS OF AMERICAN-MADE GOODS FOR EXPORT—REPORT OF A COMMITTEE

Mr. POTTER. Mr. President, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 1962) to require the marking of containers of American goods exported with the words "United States of America," I report in lieu thereof an original concurrent resolution, and I submit a report (No. 514) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 40) favoring the placing of the inscription "United States of America" on containers of American-made goods for export, reported by Mr. POTTER, from the Committee on Interstate and Foreign Commerce, was placed on the calendar, as follows:

Whereas the products of American industry and labor are of high quality; and

Whereas such products are a proud symbol of the accomplishments of our free enterprise system and democratic way of life; Now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that American-made goods should be publicized as such, and that the President should instruct the Secretary of Commerce to use the facilities of the Department of Commerce to call upon producers and merchants to affix, insofar as practicable, to the external shipping containers of all American-made goods for export the following inscription in indelible print of a suitable size: "United States of America."

CITATION OF TIMOTHY J. O'MARA FOR CONTEMPT OF SENATE—REPORT OF A COMMITTEE

Mr. TOBEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I report an original resolution, citing Timothy J. O'Mara for contempt of the Senate, and I submit a report (No. 519) thereon.

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

The resolution (S. Res. 139), reported by Mr. TOBEY from the Committee on Interstate and Foreign Commerce, was placed on the calendar, as follows:

Resolved, That the President of the Senate certify the report of the Committee on Interstate and Foreign Commerce of the United States Senate as to the refusal of Timothy J. O'Mara to answer a series of questions and to produce documents and records before the said committee, together with all the facts in connection therewith, under the seal of the United States Senate, to the United States Attorney for the District of Columbia, to the end that the said Timothy J. O'Mara may be proceeded against in the manner and form provided by law.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 10, 1953, he presented to the President of the United States the enrolled bill (S. 1644) to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy.

BILLS INTRODUCED

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

By Mr. FERGUSON (for himself and Mr. POTTER):

S. 2341. A bill to provide for the release to the city of Lansing, Mich., of all of the right, title, and interest of the United States in and to certain real property heretofore conditionally granted to such city; to the Committee on Government Operations.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 2342. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco; to the Committee on Public Works.

By Mr. BEALL:

S. 2343. A bill for the relief of Petros Demou Demetrios; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2344. A bill to amend section 48 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, to permit the payment of increased fees to trustees in bankruptcy for normal administration; to the Committee on the Judiciary.

By Mr. IVES:

S. 2345. A bill for the relief of Yun Tai Miao and his wife Chao Pei Tsang Miao; to the Committee on the Judiciary.

S. 2346. A bill to authorize and direct the Secretary of the Army to convey to the St. Regis Paper Co. certain land erroneously conveyed to the United States by such company; to the Committee on Armed Services.

By Mr. BUTLER of Maryland:

S. 2347. A bill to amend chapters 4, 5, 6, and 8 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2348. A bill to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics on redcedar shingles"; to the Committee on Post Office and Civil Service.

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 2349. A bill to amend the Federal Old-Age and Survivors Insurance provisions of the Social-Security Act to increase from \$75 to \$100 per month the amount which may be earned without loss of insurance benefits;

S. 2350. A bill to extend for 1 year the wage credits for military service under the Federal Old-Age and Survivors Insurance provisions of the Social-Security Act, and to provide for the payment of lump-sum death benefits in the case of veterans dying outside the United States who are reinterrred, and for other purposes; and

S. 2351. A bill to amend the public assistance provisions of the Social-Security Act by extending for 2 years the increased Federal financial participation to the States provided in the Social-Security Act Amendments of 1952; to the Committee on Finance.

By Mr. KEFAUVER:

S. 2352. A bill for the relief of Paul Shoji Awaji (Paul Milburn Simpson);

S. 2353. A bill for the relief of Antonio Bottel and Clorimondo Mancía; and

S. 2354. A bill for the relief of Michael Thomas Rowe (Akira Yomamoto) and Richard Edward Rowe (Akira Shinoda); to the Committee on the Judiciary.

By Mr. JENNER:

S. 2355. A bill for the relief of Chin Fun Kwok; to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes, was read twice by its title, and referred to the Committee on Public Works.

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

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

By Mr. HUMPHREY:

Address entitled "The Future of Social Security in America," delivered by Arthur J. Altmeyer, at the University of Minnesota, on May 12, 1953.

By Mr. CLEMENTS:

Article entitled "Hard Money Policy's Wisdom Is Target of Bitter Criticism," written by James Y. Newton and published in the Washington Evening Star of July 9, 1953.

By Mr. WILEY:

Letters in opposition to the proposed Bricker constitutional amendment from the Chancellor of the University of Pittsburgh, the dean of the department of law of the University of Virginia, the dean of the School of Law of Indiana University, and from Dr. Ralph W. Sockman, president of the Church Peace Union, enclosing resolution of the board of trustees of that organization in opposition to the Bricker amendment.

By Mr. MARTIN:

Editorial entitled "Matter of Evaluation," published in a recent issue of the Harrisburg, (Pa.) Evening News, dealing with Vice President Nixon's recent address at Gettysburg.

Editorial from Pittsburgh Courier entitled "Senator CAPEHART Aids Housing," and article "CAPEHART Favors Fair Market Guarantees," from the Chicago Defender of June 27, 1953, relating to Senator CAPEHART's service to the housing program.

By Mr. KEFAUVER:

Resolution written by O. R. Angelillo, of Los Angeles, Calif., on the subject "What Does America Mean to Me?"

Editorial entitled "Syngman Rhee Is Wrong Because There's Not Enough Like Him," written by Edward J. Meeman and published in the Memphis Press-Scimitar.

PERMISSION FOR CIVIL ACTIONS FOR RECOVERY OF CERTAIN TAXES TO BE BROUGHT IN DISTRICT COURTS WITH RIGHT OF TRIAL BY JURY

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, which were, on page 2, strike out the entire page and to amend the title so as to read: "An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts."

Mr. McCARRAN. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCARRAN, Mr. WATKINS, and Mr. WELKER conferees on the part of the Senate.

PURGING OF BERIA PROVIDES GREAT HISTORIC OPPORTUNITY

Mr. WILEY. Mr. President, I have released a public statement on the news from the Kremlin of the purging of Lavrenti P. Beria.

I believe that this is one of the most significant developments in recent years.

It confirms in considerable measure a statement which I made publicly at the time of the death of Josef Stalin in which I drew a parallel between the situation which existed at the time of the death of Caesar, when the Roman triumvirate began to war among itself, and the situation which I foresaw might well occur in modern Russia.

I ask unanimous consent that the text of my statement be printed at this point in the body of the CONGRESSIONAL RECORD.

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

STATEMENT BY SENATOR WILEY

PURGING OF BERIA PROVIDES GREAT HISTORIC OPPORTUNITY

The purging of Lavrenti Beria can be a turning point in our search for world peace if we choose to make it so.

It is another phase of the furious struggle for power which has raged inside the Kremlin, before and after Stalin's death.

Beria's vast apparatus throughout the Soviet Empire will, no doubt, now be subject to the same purge process as has occurred when other Soviet big shots have been ousted.

Beria's downfall is another demonstration that the moral laws of this universe still prevail, even when very immoral people cause them to prevail. "They that take the

sword perish by the sword," and "they that dig a ditch for others fall into the ditch themselves."

Beria's ouster will cause a shockwave throughout the Soviet Union, the Iron Curtain, and throughout the vast worldwide Communist conspiracy. That shockwave will topple over vast numbers of people. It will add to the fear, the suspicion, the hatred which have always been one of the ugliest characteristics of the Soviet empire.

The latest purge provides, therefore, one of the great opportunities in postwar history.

It is an opportunity for intensification of America's psychological warfare, for exploiting the boiling internal tensions inside the Curtain.

It is an opportunity, because it will provide new hope to the enslaved peoples.

It is an opportunity because it will further demonstrate to the neutral peoples the true hideous nature of the Soviet slaughterhouse.

It is an opportunity because there will be at least a temporary vacuum in Soviet policies which we can exploit everywhere.

This moment of Soviet indirection will be a time for our strong decision—in effective policies aimed toward lasting peace.

Beria's downfall, however, should not and must not be taken as a sign that the Soviet empire is right now disintegrating. On the contrary, after the inevitable bloodbath, the controls may emerge tighter than ever.

This occasion, therefore, is no reason for us becoming smug and slashing our mutual aid budget or our military budget.

When two fighters are in the prize ring and one of them is groggy, it is no time for his opponent to start backpedaling. This is no time, therefore, for us to be backpedaling in our policies to strengthen the free-world alliance.

In any event the latest news will further demonstrate to the Big Three meeting and to all our other allies and friendly powers how ridiculous it is to appease the Soviet giant—with his now obvious feet of clay.

All in all, the news coupled with the cracks in the Kremlin's armor in East Germany, Hungary, Czechoslovakia, Poland, and within Russia itself indicate the serious weakness within. But the news does not in the slightest degree give us any right to conclude that the dominant purpose of the Kremlin to stand astride the world has been dissipated.

Even after Beria's fall, the Soviet Union does not have 1 regiment less in the 175 powerful Red Army divisions which she had yesterday, nor 1 less atomic bomb, nor 1 less airplane. Her tremendous military might remains as a great menace to the world.

And we have had no conclusive indication that the Soviets are ready to pull out of Indochina, agree to a free, united Germany, and really provide—in addition to a mere truce—a lasting, honorable, and irrevocable armistice for a united Korea. But we pray that a truce and such an armistice in Korea will come—as an indication that the world has really turned a corner.

SCREENING OF ESCAPEES FROM BEHIND THE IRON CURTAIN

Mr. WILEY. Mr. President, I have been anxiously hoping for final favorable action, in the Judiciary Committee and on the floor, on the issue of the Watkins immigration bill, S. 1917, to fulfill the President's program for emergency admission of refugees and escapees.

The days are fast running out in this first session of the 83d Congress. It would be tragic, indeed, if we were to conclude our work without passing this humanitarian bill, or if we were to pass an emasculated bill.

Our country has arrived at a turning point in history—at a great moment when, through psychological warfare, we can press our advantage.

One of the finest means to do so is to send word behind the Iron Curtain that our doors are not closed to the refugees and escapees, but rather that we are willing to welcome reasonable numbers of those who we are sure are genuine partisans of the cause of freedom.

In all the discussions of this subject reference has most often been made to the various people from the satellite states. But what of the Russian people themselves who so desperately long for freedom?

There are few sources better qualified to comment on the Russian people themselves than the Tolstoy Foundation.

Recently Alexandra Tolstoy, the foundation's president, wrote to me. She pointed out that the continued plight of the refugees in the inadequate camps which have been set up for them is one to stir the hearts of all free peoples, particularly the plight of the youngsters in their group.

I wrote back, stating that I, for one, very definitely agreed, and I further pledged my efforts on behalf of the Watkins bill. I took the occasion, however, to ask her to comment on one issue in which I know she is particularly interested, namely adequate screening of the refugees. She has now replied in detail.

The President of the United States has asked for the passage of S. 1917. I believe that there is every reason to grant his request and pass this bill. It has been debated, revised, perfected, and reviewed. Prolonged hearings have been held. The time has come for action. Let us not be unworthy of this great moment in human history.

I ask unanimous consent that the letters I have received from Countess Tolstoy, and a reply from me, and an editorial from the New York Times, be printed in the body of the RECORD at this point.

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

TOLSTOY FOUNDATION, INC.,
New York, N. Y., June 30, 1953.

The Honorable ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Nearly 8 years have gone by already, and the free world has as yet been unable to solve the tragic complex of the refugee problem.

Children now 7 years old have been born and raised in prison like camps in Germany and Austria. Over 5,000 people are stranded in China and if not resettled might face death any day. About 2,000 Russian refugees are stranded in the Arab countries, and they too are far from being resettled or even safe.

When we, the free citizens of this great country, are once again preparing to celebrate our Independence Day, our thoughts involuntarily go out to all those who, after their ordeals and misfortunes, could so easily enjoy happiness and security in the United States and became useful to us all through their knowledge, sound political views, and labor.

Knowing your views and principles, dear Senator, I am taking the liberty of appealing to you at this crucial moment: Will you sup-

port bill S. 1917 and press for its introduction during the present session of Congress.

Respectfully,

ALEXANDRA TOLSTOY,
President.

JULY 1, 1953.

MADAM ALEXANDRA TOLSTOY,
President, Tolstoy Foundation, Inc.,
New York, N. Y.

DEAR MADAM TOLSTOY: Thank you for your fine letter of June 30.

I shall, indeed, do everything I can to speed action on S. 1917.

I have reproduced in the CONGRESSIONAL RECORD, numerous messages from Catholic, Protestant, and other religious and lay sources on behalf of the bill and should like to reproduce your own fine statement.

Perhaps you might have an opportunity to drop me a note with regard to your particular reactions to the security problem insofar as screening of Russian escapees is concerned.

I know how deeply interested the Tolstoy Foundation is, as all patriotic Americans are, in weeding out enemy agents from the escapee group.

S. 1917, as we know, has had the tightest security safeguards placed in it, but since the point is still at issue, perhaps you might drop me a note setting forth your views.

With kindest wishes, I am,

Sincerely yours,

ALEXANDER WILEY.

TOLSTOY FOUNDATION, INC.,
New York, N. Y., July 7, 1953.

The Honorable ALEXANDER WILEY,
United States Senator, Senate Office
Building, Washington, D. C.

DEAR SENATOR WILEY: Thank you very much for your letter of July 1.

The most important factors in screening refugees are questions for administration rather than for legislation. Screening personnel should be well-versed in Soviet and Marxist dialectic, but it is very important that they should be convinced anti-Communists and anti-Marxists on the basis of knowledge rather than on that of emotional dislike.

The few pro-Communists who have been admitted to the United States have usually gained entrance through screening by improperly trained security officers or, in a very small number of cases, through officers who were, some 6 or 8 years ago, infected with Marxist doctrine or with admiration for the wartime achievements of the Red army, or the alleged social benefits of the Soviet social system. There is little danger of that at present, since the slave-labor basis of the Soviet system is now almost universally known.

Very valuable assistance may be obtained by screening authorities from the escapees themselves. It is in the interest of any genuinely anti-Communist escapee to make sure that no Soviet agent is included in his own group, and agents are usually disclosed within a short time when they are put with a group of genuine anti-Communists. Any graduate of a Soviet school has little difficulty in detecting a fellow escapee who retains his allegiance to the Communist dogma. Those who have broken decisively with Marxism and atheism have little difficulty in determining the others who cling to these notions.

There are two reasons why the escapee-refugee channel is not useful for planting Soviet agents. The first is because such agents are usually uncovered by genuine escapees or by the numerous screenings through which Soviet nationals must pass. The second is because an agent who immigrates with an escapee group has a small field of operation. He is useless among those who have escaped from communism, and he

is largely suspect by the established members of the community to which he migrates.

There is no doubt but that some agents will be planted amidst any group of escapees, but the record of the 400,000 refugees brought into the United States since 1945 shows a really surprisingly small number—not even a decimal of 1 percent—of subversives who have entered this country. It should be remembered that an overwhelming percent of escapees are persons of strong religious feeling, whose world outlook is based upon high moral values and a contempt for materialistic atheism. Their choice of freedom often means the losing of every material possession, and even the breaking of close family ties. It is a moral choice, and such people are foes of communism.

Thanking you again for your letter, and with the assurance that the Tolstoy Foundation and I personally are always at your service, please believe me to be,

Very sincerely yours,

ALEXANDRA TOLSTOY.

[From the New York Times of July 10, 1953]

THE REFUGEE BILL

The administration bill to add 240,000 refugees and other necessitous immigrants to the regular quotas during the next 2 years was meeting with opposition yesterday in the Senate Judiciary Committee. Some opponents thought that our Nation of about 160 million souls could not absorb that many additional newcomers or that the wrong persons would get in. Actually, the proposed immigrants would fall into two classifications—first, those who have escaped from Iron Curtain countries; second, those coming from overcrowded Italy and, in smaller numbers, from Greece and the Netherlands. In the first case we would be receiving proven enemies of communism; in the second we would be getting good stock who have no reason to love communism and who wouldn't receive passports if they had communistic affiliations.

Opposition seems a little strange, except on the supposition that foreigners are not much good, anyhow, and that the less we see of them the better. That argument, moreover, doesn't make sense in the United States, except as it might be used by full-blooded members of the native Indian tribes.

Compromises in detail were being discussed yesterday. No one can prove that the specific number of 240,000 in 2 years is too small or too large, or that the allocations are scientifically accurate for the purpose the administration had in mind. But the principle is sound. This Nation was founded by lovers of freedom. We have room for at least a few more.

RESIGNATION OF DR. ROBERT L. JOHNSON, ADMINISTRATOR, INTERNATIONAL INFORMATION ADMINISTRATION

Mr. HENNINGS. Mr. President, on Wednesday Dr. Robert L. Johnson, retiring Administrator of the International Information Administration, issued a policy statement on the entire question of the use of books in our overseas libraries. The statement was issued with the approval of the Secretary of State. It is to be assumed, therefore, that it represents the present thinking of the State Department and that it has the approval of President Eisenhower. It is a good statement and should, I think, do much to clear the air—which would be an accomplishment in itself, even if it did no more.

But it does do more. This statement, in effect, takes the State Department

back to its position of February 3 prior to the efforts to discredit the overseas library program, which have been going on for 5 months. It is significant, I think, that the State Department, after much backing and filling, has returned to its old position with approval from the highest level—the President of the United States. This policy seems sensible. As the distinguished Senator from Arkansas [Mr. McCLELLAN] said yesterday: "Practical sense should be used in deciding what books should remain on library shelves," and that "every book should be judged on its own." I want to associate myself with his remarks of yesterday. I think that is the essence of the policy formulated by the United States Advisory Commission on Educational Exchange, and its Committee on Books Abroad composed of such distinguished Americans as Prof. Martin R. P. McGuire, of Catholic University; George P. Brett, president of the Macmillan Co.; Cass Canfield, chairman of the board of Harper & Bros.; Robert L. Crowell, president of Thomas Y. Crowell Co.; Robert B. Downes, director of libraries, University of Illinois; Morris Hadley, president of the New York Public Library; Lewis Hanke, director of the Institute of Latin American Studies at the University of Texas; and Keyes D. Metcalf, director of libraries at Harvard University.

The directive issued on February 3 dealing with the policy to be followed on the use of materials produced by controversial persons contained the statement unanimously adopted by the United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the State Department on its overseas educational and cultural programs. This is the statement:

The content of the book, regardless of authorship, should be the criterion which determines its availability for inclusion in United States Information Service libraries.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point the February 3 directive.

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

DEPARTMENT OF STATE,
February 3, 1953.

INFORMATION POLICY FOR USE OF MATERIALS
PRODUCED BY CONTROVERSIAL PERSONS

I. PURPOSE

The purpose of this instruction is to establish criteria to govern use in the IIA program of already existing books, writings, paintings, music, pictures, films, and other output, produced or created by persons who are subjects of public controversy.

II. DISCUSSION

The question has often been raised within IIA and elsewhere of the relation of the political or ideological controversiality of the creators of material to the use of that material in IIA programs. Clearly, authors or other creators commissioned to prepare material for IIA use need to be selected with the utmost care to assure that their products will fully serve IIA purposes. But here the problem is rather whether existing creations by controversial persons can be useful in attaining certain IIA objectives. Usefulness, therefore, is the basic consideration.

The United States Advisory Commission on Educational Exchange, the body legally

established to represent the public in advising the Department on its overseas educational and cultural programs, unanimously adopted the following resolution after a prolonged study of this particular problem: "The content of the book, regardless of authorship, [should] be the criterion which determines its availability for inclusion in USIS libraries." The contrary view would argue that the Department should bar from use in its programs, without reference to the material itself, any product of an author or creator who is himself the subject or likely to become the subject of domestic controversy. There is considerable pressure to follow the latter course, though the problems involved in doing so have never been formally passed on by the Congress.

The reputation abroad of an author affects the actual utility of the material. If he is widely and favorably known abroad as a champion of democratic causes, his credibility and utility may be enhanced. Similarly, if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

The withdrawal or obvious barring of a controversial author's work from a collection, exhibit, or the like where its absence or withdrawal will come to public attention abroad may have a seriously adverse effect on the credibility of IIA.

The problem of determining who is and who is not a controversial or potentially controversial figure presents major difficulties. It follows therefore that in order to be sure that the product is useful in attaining IIA objectives careful scrutiny must be given to the product of any person whose political orientation has been questioned.

The publications of organizations are normally issued for the specific purpose of advancing their organizational objectives. The publications of organizations on the Attorney General's list of subversive organizations may hence be assumed without further review to be subversive in intent.

III. CRITERIA

In the selection of materials, writings, art, photographs, films, etc., it should be possible, as a general rule, to draw upon the great body of resources available produced by persons whose ideological position is unquestioned. Admitting, however, that usefulness to IIA is the basic consideration governing inclusion of any materials in IIA collections, there are times when items produced by ideologically questionable persons may be advisable. In view of the great resources available to IIA, the latter action would necessarily be the exception rather than the rule.

The criteria governing that exceptional action are the following:

1. Content of the product, not authorship, will be the primary criterion. This means that other factors are to be considered.

2. Materials produced by a person whose ideologies and views are questionable or controversial will not be used unless:

(a) The material supports importantly (not incidentally) a specific IIA objective; and the converse, that is, none of the content is detrimental to the objectives of the United States Government.

(b) The material is substantially better than other material available for the purpose, that is, support of a specific objective of IIA.

(c) Failure to include the material would impair the general credibility of IIA.

3. The effectiveness of the material, judged as promoting importantly a specific IIA objective, has been weighed against the possible harm resulting from the enhanced prestige the controversial producer may acquire by virtue of the inclusion of his product in IIA operations. The balance must be clearly and strongly in favor of the effectiveness of the material.

IV. REVIEW PROCEDURE

If in the application of the above criteria any doubts are entertained by the responsible officials in IIA or in missions overseas, the items concerning which there are such doubts will be submitted to a review board.

The chief of mission is requested to name a review board of three members, of which the public affairs officer shall be one, to review all materials concerning which the public affairs officer may be in doubt, produced by ideologically questionable persons. The Review Board may be on an ad hoc or standing basis as suits the convenience of the mission.

Within IIA, a Standing Review Board is to be established, to meet, from time to time as may be required, to consist of three members to be appointed by the Administrator. All materials concerning which there is doubt within IIA may be referred to the Standing Review Board for decision.

Should the Review Board at an overseas mission not be able to resolve doubts regarding the selection and use of items produced by ideologically questionable persons, such items may be submitted to the Standing Review Board of IIA under cover of an operations memorandum marked for the attention of IIA.

For the Administrator:

W. BRADLEY CONNORS,
Assistant Administrator for
Policy and Plans.

Mr. HENNINGS. Mr. President, this reaffirmed the statement made some 6 months earlier and contained in the eighth semiannual report to the Congress on educational exchange activities. This report, which set forth the Department's policy on the selection of published materials, listed among other clear and logical criteria, the usefulness and appeal in the area and to the groups to be reached.

The latest policy statement just issued by Dr. Johnson reaffirms, in turn, these earlier positions. The confusion generated in the last 5 months by some 11 directives issued to those in charge of our overseas libraries should now be dispelled. It is unfortunate that the State Department, in this period, departed from its sound and well-considered policy and undertook to readjust its program to meet each vicissitude of congressional investigations. That Dr. Johnson has publicly admitted on more than one occasion that the resulting confusion and mistakes have hurt us at home and abroad is certainly to his credit. It is also to his credit that out of the chaos which had been created, he is able to draw the positive conclusion that this is the evidence of a free people being unafraid of mistakes made in the open.

Mr. President, in order not to take up more time of the Senate, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at the end of my remarks the remainder of my statement.

Mr. President, Dr. Johnson's statement on the issue of our overseas-library program is a positive policy of such far-reaching importance that I, also, ask unanimous consent to have it printed in the CONGRESSIONAL RECORD at the conclusion of my remarks. I also ask unanimous consent to have printed in the CONGRESSIONAL RECORD after Dr. Johnson's statement an editorial entitled "From Jefferson to Eisenhower"

which appeared in the St. Louis Post-Dispatch on July 5, 1953, and brief biographical sketches of the members of the United States Advisory Commission on Educational Exchange and the Committee on Books Abroad.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HENNINGS. Mr. President, for some time past I have been trying to get to the heart of this situation. Both in statements on the Senate floor and in letters to Secretary Dulles, I have pointed to the damage that was being done to our prestige abroad and urged a clear and positive policy to clarify our position. Last week I introduced Senate Concurrent Resolution 38 calling for the formulation of a clear and practicable policy in line with our American traditions of freedom of thought and of expression. The purposes of my resolution have been largely answered by Dr. Johnson's policy statement. I still think it is important, however, that any further directives and memoranda issued to overseas libraries to implement this general policy statement should be made public and should be available for examination and appraisal in the light of the general policy laid down by the Department. Such publicity, in view of all that has happened, would, I feel, be in the interest of better understanding and public acceptance of the principles and objectives of the entire overseas-library program.

In this connection, the report of the President's Committee on International Information Activities, portions of which have just been released by the White House, recommends that the International Information Administration should be authorized to release domestically, without request, information concerning its programs. The report points out that the Smith-Mundt Act—Public Law 402—currently enjoins the IIA from informing the American people of its activities. The provision of the law to which this apparently refers is section 1003:

Nothing in this act shall authorize the disclosure of any information or knowledge in any case in which such disclosure (1) is prohibited by any other law of the United States, or (2) is inconsistent with the security of the United States.

I would not think that the release of information about the International Information program would violate either of these provisions. The same law, moreover, provided in section 1008 that—

The Secretary shall submit to the Congress semiannual reports of expenditures made and activities carried on under authority of this act, inclusive of appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted.

If there is a question about giving the American public information on the program, the Congress should provide clear authority through additional legislation.

I want to make one thing perfectly clear, Mr. President. In all of the confusion over this program and over the question of the removal of books from overseas libraries, no responsible person, to my knowledge, has suggested or

maintained that we should stock the libraries with Communist propaganda. In fact, in one of my letters to Secretary Dulles, I made the point that such a proposal would do violence to commonsense. On the other hand, there are many books which fall into the category of controversial works—books dealing with subjects on which there is a wide divergence of respectable opinion, or books which are critical of the United States or of our policies at home or abroad. Dr. Johnson makes it quite clear in his policy statement that such books are acceptable and that we must not confuse honest controversy with conspiracy. In this connection, I would like to quote again from the Eighth Semiannual Report on Educational Exchange Activities which was transmitted to the Congress on July 15, 1952:

In the case of publications which are critical of American political and economic matters, the Department of State believes that the inclusion of such publications is necessary if the information centers are to make available an honest balanced picture of American life and its diversified views and conflicting opinions. The users of the information centers are primarily intelligent, experienced people who have considerable influence in shaping the views and determining governmental action in their own countries. It is essential that we be honest lest we forfeit their respect. They go to the centers for precise information which will enable their countries to deal intelligently with the United States. It is important that they should be aware of the diversity of political views and opinions in the United States and of our problems. It is well for them to realize, for example, that the United States has unresolved economic problems which limit the amount of foreign aid which we can give.

It is important for us to remember, Mr. President, that our overseas information program, just as our efforts for national defense and our military and economic aid to other free nations are not just negative efforts directed against communism and Communist aggression. Communism is a threat to us and to freedom-loving people everywhere because, in its very nature, it would destroy the things we hold dear—our basic freedoms guaranteed in the Constitution. So our efforts and programs have been designed and must continue to be positive. They must protect and reaffirm and strengthen our American freedoms and our position of leadership in the eyes of other free nations. Our strongest weapon in the defense of freedom is truth. If we allow ourselves to adopt the methods of the Communists or the Nazis—the techniques of half-truths, distortions, false accusations, slander, and downright lies repeated over and over again until they sound almost credible—we are not defending our freedom but destroying it and debasing our ideals.

EXHIBIT 1

[From the New York Times of July 9, 1953]
TEXT OF POLICY STATEMENT ON GOVERNMENT BOOK AND LIBRARY PROGRAM

The United States Government operates a book and library program abroad for a simple reason that can be simply put: It is the vital responsibility of the American Government to protect the good name of the American people, no less than their vital interests.

The mighty force we have been mobilizing in the defense of freedom has meaning only as people throughout the world understand and respect our purposes.

Leadership cannot assert itself through power alone. American leadership is meaningless if it isn't built upon respect for our moral purposes in the world.

This has been recognized by the American people from our earliest beginnings as an independent nation. Our Declaration of Independence speaks of a "decent respect" for the "opinions of mankind." Everything of a major nature we have done in our history has taken into account such a "decent respect" for the opinions of others.

We are concerned about the opinions of others because a free nation has the obligation in the conduct of its foreign affairs to justify its actions before the world community.

NEED FOR "BIG IDEAS"

This obligation becomes a sober mandate when so large a part of the world looks to us for responsible leadership.

Our well-being and survival as a free people today require more than big dollars and big bombs; we require big ideas.

We must not allow the Soviet to rack up cheap victories throughout the world through a campaign of lies against us—a campaign of lies that can best be demolished—I should say can only be demolished—through the counter-offensive of truth.

And when I say "counter-offensive of truth" I am not just dealing in slogans. I mean exactly that.

We in America have nothing to hide. We want the world to know us just as we are. We don't have to dress up or dress down. We don't have to put on any show of perfection. If we did no one would believe us anyway.

We can tell the full story—a story about the magical mixture of America. We can share our hopes just as we can share our honest fears—for there are hopes and fears in the world today which constitute a challenge to all free peoples everywhere.

We in America can have the privilege of talking about democracy as unfinished business. We leave to the totalitarians the necessity to boast of the complete fulfillment of their goals.

This is said by way of reaffirmation and reminder at a time when it is important to review our information program against the big and broad background of world crisis.

As long ago as 1942, a United States library was established in Mexico City. This was done under a grant from the office of the Coordinator of Inter-American Affairs. The library was operated by specialists of the American Library Association.

LIBRARIES HELPED WAR AIMS

The success of the Mexico City library led to the establishment of two other libraries in Latin America under the authority of the Coordinator of Inter-American Affairs.

Later in the war, the effectiveness of libraries and book programs in advancing the American cause led to the creation of a library service under the Office of War Information. The central purpose of this service was to make available at key spots throughout the world written materials that furthered American aims in war and peace.

As this library program developed, it became obvious that different areas represented different problems and called for different materials and different lines of emphasis. For example, the Latin American libraries required emphasis along cultural lines. As against this, the English-speaking nations were given materials designed to "develop an informed and intelligent understanding" of the activities and aims of the United States Government. The occupied areas required a special instruction and rehabilitation.

Thus, very early, the special-purpose character of these libraries became manifest. This special-purpose character remains the key to the operation of our book and library program today.

A strong chain of instructions and legislation gives binding force to this dominant character of that program.

The Manual of Operations for the Division of Libraries and Institutes issued in June 1946, by the Department of State says:

"The objective of the United States Information Libraries is to provide foreign communities throughout the world with facts and solidly documented explanations of the United States, its people, geography, culture, science, government, institutions, industries, and thinking; in short, the American scene."

RECOMMENDATIONS REVIEWED

When the 80th Congress turned to consideration of basic legislation for the overseas information program and educational exchange, the Senate set up a special subcommittee of the Foreign Relations Committee to study the matter. On the basis of field studies, this subcommittee took a broad view of the proper scope and functions of the USIS library programs. It recommended that:

"The supply of books, musical scores and recordings, periodicals, and exhibits should be increased and should cover the widest possible field.

"American textbooks in all fields should be supplied to foreign schools and universities for reference purposes.

"Subject matter of particular interest in a given country should be emphasized and sufficient books supplied to meet the demand." (Senate Rept. 855, Jan. 30, 1948.)

This subcommittee was composed of Senators H. Alexander Smith, chairman; Bourke B. Hickenlooper, Henry Cabot Lodge, Jr., Alben W. Barkley, and Carl A. Hatch, and worked in close cooperation with a subcommittee of the House Committee on Foreign Affairs consisting of Congressmen Karl E. Mundt, chairman; Lawrence H. Smith, Walter H. Judd, John Davis Lodge, Pete Jarman, Thomas S. Gordon, and Mike Mansfield.

The same Congress took the single biggest step in the determination of the American people to make their voice heard in the world. Senator H. ALEXANDER SMITH and the then Representative, now Senator KARL E. MUNDT sponsored a bill that defined, crisply, and powerfully, the need for dramatic measures to present America's case in the battle of ideas against totalitarianism.

The Senate Committee on Foreign Relations, in reporting the Smith-Mundt Act, referred to the hostile propaganda campaigns directed against democracy, human welfare, freedom, truth, and the United States, spearheaded by the Government of the Soviet Union and the Communist Parties throughout the world.

OBJECTIVES OF ACT

The committee also spoke of the need for urgent, forthright, and dynamic measures to disseminate truth.

The Smith-Mundt Act clearly defined its objectives to promote a better understanding of the United States in other countries, and to increase mutual understanding between the people of the United States and the people of other countries. Among the means to achieve these objectives the act called for an information service to disseminate abroad information about the United States, its people and policies, and an educational exchange service including the interchange in the field of education, the arts, and sciences.

Under this act, too, the library services were coordinated, integrated and expanded. The Congress and the American people can be proud of the results of this legislation. There have been legitimate criticisms of the program in the past few years—but these

criticisms must be viewed against the larger achievements of the program and the considerable difficulties involved in launching and operating a project of this size and scope.

It is important that the American people know that this program has not been operated in a vacuum.

First, the program has the continuing benefit of an official Advisory Commission on Information. This commission has maintained constant examination and appraisal of the program and reports its findings semi-annually to the Congress. The present membership includes Dr. Mark A. May of Yale University; Erwin D. Canham, editor of the Christian Science Monitor; Philip D. Reed, chairman of the Board of General Electric; Ben Hibbs, editor of the Saturday Evening Post, and Justin Miller, chairman of the board and general counsel of the National Association of Radio and Television Broadcasters.

Second, the program has benefited from the recommendations of the United States Advisory Commission on Educational Exchange, which at present consists of J. L. Morrill, president, University of Minnesota, chairman; Mark Starr, educational director, International Ladies Garment Workers Union; Harold Willis Dodds, president, Princeton University; Edwin B. Reed, president, University of Wisconsin, and Martin R. P. McGuire, professor, Catholic University.

NOTES SENATE UNIT'S WORK

This Commission has established a special Subcommittee on Books Abroad, whose members are Martin R. P. McGuire, professor, Catholic University, chairman; George P. Brett, president, the Macmillan Co.; Cass Canfield, chairman of the board, Harper & Bros.; Robert L. Crowell, president, Thomas Y. Crowell Co.; Robert B. Downs, director of libraries, University of Illinois; Morris Hadley, president, New York Public Library; Lewis Hanke, director, Institute of Latin American Studies, University of Texas, and Keyes D. Metcalf, director of Libraries, Harvard University.

Third, the program has profited from a special study undertaken by a subcommittee of the Senate Committee on Foreign Relations under the chairmanship of Senator BOURKE B. HICKENLOOPER.

Other members of this subcommittee are Senators ALEXANDER WILEY, KARL E. MUNDT, WILLIAM F. KNOWLAND, J. WILLIAM FULBRIGHT, GUY M. GILLETTE, THEODORE FRANCIS GREEN, and LISTER HILL. This subcommittee has only recently completed its report.

It may be in order to review briefly the findings and recommendations of these three groups with specific reference to the book and library program.

The United States Advisory Commission on Information, in its February 20, 1953, report, reaffirmed the importance of the program and emphasized the need to tailor our materials to the specific needs of specific areas. It highlighted once again the special-purpose aspect of the job.

The United States Advisory Commission on Educational Exchange, shortly after the enactment of the Smith-Mundt Act, endorsed the statement prepared by the Division of Libraries and Institutes on the philosophy, goals, and operating principles of our overseas libraries. Again, this statement stressed the special-purpose nature of the program but also stressed the basic principle of freedom of information. It emphasized the fact that accessibility to information was an important part of the effectiveness of the program.

SELECTION CRITERIA ASKED

The June 15, 1953, report of the Hickenlooper subcommittee is a detailed study of all phases of our foreign information services. One of the recommendations of the report calls upon the Administrator to es-

tablish the specific criteria for the selection of books. As the general basis for such criteria, the subcommittee recommends that "an adequate cross-section of American literature should be provided for a better understanding of American life and culture but writings of Communists and Communist sympathizers should not be tolerated in any manner which would indicate their acceptance by the American people."

There is a workable consistency in the advice and findings of the above groups and committees concerned with the appraisal of this program.

With this guidance, we have been operating a library program involving some 2 million books at 189 centers. These libraries are doing these specific jobs:

First, they provide basic information. There is a shortage of accurate information abroad about the American people and their policies. Our detractors have capitalized on that shortage. They have been spending many millions to distort our policies and to damage the reputation of the American people.

One of the main ways we are combating this campaign is by supplying source materials about the United States that are free of any direct propaganda taint.

In short, we are opening up the books about America. These books cover a wide range of subjects. They deal with our history, our industries, our farms, our professions. They tell the story of our Founding Fathers and our great political leaders and statesmen. They tell of our great writers, our musicians, our inventors, our scientists, our great men of achievement and learning.

ASIANS PRAISE LIBRARIES

Second, our libraries provide much-needed published materials of a scientific and technical nature. We have received testimonials from many universities abroad, especially from universities in the countries of Asia and the Near East, acknowledging their debt to American books. We also have letters from public officials, from businessmen, from scientists, from doctors, and from farmers telling us of their appreciation for the substantial help they received from our libraries.

This is the kind of good will that counts. It is not only what we say to people but what we do for people that builds a solid foundation for friendship.

Third, another specific assignment for our books is to combat the notion that the American people lack a cultural background or tradition. Our libraries are well stocked not only with the ideas that made America great but with the distinguished books that are part of our literary and cultural heritage.

In this connection, we have also tried to provide something of a representative cross section of contemporary American writing. Our yardstick here is necessarily flexible. We say to other peoples, in effect: "Here is a good slice of contemporary American writing. It covers a wide range, from biographies to books on foreign affairs. These are the books America is reading and talking about. We have no hesitation in making these books available to you."

VIGILANCE RECOMMENDED

Any evaluation of the operations of our libraries in carrying out these three big jobs must take into account the overall record of performance, rather than the inclusion or exclusion of specific titles.

The book and library program is to be judged not by any single title or even group or titles but by the total use to which the libraries are put, and by the basic policies that guide the program. Similarly, any evaluation of the individual library should consider not a single incident in the news but its continuing influence in the community it serves.

It is unfair to the loyal men and women who operate these libraries to allow their contribution to be obscured by a controversy

over a few titles, no matter how objectionable these titles may be. Our overseas staffs should be judged by their effectiveness in winning friendship and respect for the American people and in advancing an understanding of our objectives as a free nation. Largely as a result of their efforts some 36 million people throughout the world last year made use of our various library services.

Let us be vigilant and critical, but let us also maintain some sense of proportion in our estimate of the libraries as a whole.

No such program can be guaranteed to be completely free of error.

But it is also one of the vital glories of a free nation that mistakes are made in the open where the wonderful balance wheel of a democratic people can come into play. So far as the rest of the world is concerned, I think we can come out of this with a real gain. The confusion and the mistakes have hurt us abroad as they have hurt us at home. But far more important than this is the evidence of a free people being unafraid of mistakes made in the open.

SUBVERSIVES KEPT OUT

With the best faith in the world, with the greatest diligence in the world, and with the finest staff in the world, it will be impossible to avoid some mistakes in the selection of books.

But we should do everything possible to maintain a constructive and affirmative atmosphere for the library program as a whole.

I believe that this, especially, is what the Congress and the American people want. They are interested in the general approach and the general soundness of a project. They want to know that they are getting their money's worth.

I think they are.

The Congress and the American people also want the unequivocal assurance that this program is not a soft spot for subversives. This is far more basic in the public mind than some isolated titles that may appear here and there on the bookshelves of our libraries.

I believe the Congress and the American people, as of this moment, can satisfy themselves on this basic issue. Whatever else I have done or failed to do in my job, I have been diligently tough in this respect.

Concerning the selection of books, this agency believes emphatically that it is not the obligation of the American Government to make available in special-purpose libraries any books that advocate directly or indirectly the destruction of our freedoms and our institutions. These libraries are in business to advance American democracy, not Communist conspiracy.

NEED IS THE YARDSTICK

But the determination as to which books are to be placed in this subversive category calls for the most careful and skillful judgment.

In eliminating books, we should be sure of our ground. We should not make the mistake of excluding as Communist or communistic all those books which contain any criticism of American policies or institutions, even though those books may criticize the same things that Communists also criticize. We don't want to create the impression that any American writer who honestly criticizes the policies of his Government is deprived of a place on our bookshelves abroad.

Basically, the yardstick for selection is the usefulness of a particular book in meeting the particularized needs of a particular area.

Our library service is able to select only a fraction of the yearly literary output of the United States. Any book that finds a place on our shelves must have a special reason for being there. Books that are not accepted are not to be regarded by their authors or publishers as being specifically excluded.

We must begin with the content of a book. We must examine its special usefulness in terms of our overseas needs. An appraisal of this usefulness cannot disregard the reputation or standing of the author.

It is conceivable that the special purpose character of our libraries may require, in special cases, the inclusion of books by Communists or Communist sympathizers if such authors may have written something which affirmatively serves the ends of democracy. There is no objection to the inclusion of such books so long as purpose is clear.

Our libraries have acquired some books by Communists or Communist sympathizers that have nothing to do with communism. Mystery stories, for example, are a highly developed form of American literature. Humor or humor anthologies are another example. Most of such books were among the thousands of volumes acquired from United States Army overstock at the end of the war or as the result of gifts. To remove or destroy these books arbitrarily would be to defeat the very purposes which brought these libraries into being.

PSYCHOLOGICAL IMPACT CITED

There is an important practical difference between deciding not to buy a book for our libraries abroad and taking it off the shelves once it is there. In principle, the criteria are the same, but the psychological impact may be quite different.

It is not meant by this to suggest that once a book gets on a shelf, its place is permanently assured. The weeding out and discarding process is a natural one for any library with only a certain amount of shelf space.

Controversial books are of course acceptable and indeed essential, if by controversy we mean honest differences of opinion honestly expressed. It goes without saying that we must not confuse honest controversy with conspiracy.

BARS ANY BOOK BURNINGS

Nothing could be more basic in a book program abroad than the need to make this distinction between controversy and conspiracy. Controversy is as American as the varied sounds in the bleachers in a ball park. The best thing our libraries abroad can do is to make known the fact that our people, politically speaking, are full of beans.

America loves controversy and indeed thrives on it. There is no reason why we need conceal this from the world. It is one of our richest assets. Let totalitarian nations advertise the fact that their people are deprived of political dissent. For our part, we can speak up and out. In a phrase, then: Controversy, yes; conspiracy, no.

But the general problem of book selection is not one which any Government agency is well qualified to do by itself. Books cover everything under the sun. A book is not merely a collection of words in a bound volume. A book is as varied as history itself, as wide ranging as the human mind which brings it to birth.

Because of this, I suggest that the responsibility for recommending the selection of books be entrusted to carefully selected advisory committees composed of persons of unimpeachable reputation who are experts in their respective fields. The staff of IIA would then select books for shipment overseas on the basis of the recommended list.

Each book is to be considered on its merits. The emphasis should be not on negative criteria but on positive criteria. The only list that should be drawn up is the recommended list.

Next, about book burnings. Under no circumstances should any book be burned, and I wish to emphasize the word "any." The burning of a book is a wicked symbolic act. There is no place for book burnings in an American library, let alone a library operated by our Government. We don't deal with

ideas we dislike by imitating the totalitarian techniques we despise. The burning of a book is not an act against that book alone; it is an act against free institutions.

I have every reason to believe that the continuing book and library program will be exercised with the fullest sense of public responsibility and with the vital interests of the American people constantly in mind. As I said at the outset, the purpose of this agency is to protect the good name of the American people, and to maintain for them the goodwill they deserve.

The original mandate of Congress continues to define our basic purposes. The report of the Subcommittee on Overseas Information Programs gives us valuable new directions. And the support of the Congress and the American people as a whole will give us the encouragement we need to do the best possible job.

[From the St. Louis Post-Dispatch of July 5, 1953]

FROM JEFFERSON TO EISENHOWER

This is the season of our Nation's 177th birthday and thoughts turn happily as well as inevitably toward that tall, red-haired man of only 33 years whose quill drafted the Declaration of Independence. What, we ask ourselves, would young Thomas Jefferson think about trends today? What, for example, would he think about the "book burning" controversy?

Usually that kind of question produces profitless speculation. In the case of the Sage of Monticello and freedom for books, there need be no guesswork at all. In 1814, after 8 years in the Presidency, Jefferson wrote to a friend in France:

"I am mortified to be told that, in the United States of America, a book can become a subject of inquiry, and of criminal inquiry, too; that a question like this can be carried before a civil magistrate.

"Are we to have a censor whose imprimatur shall say what books may be sold, and what we may buy? Whose foot is to be the measure to which ours are all to be cut or stretched? It is an insult to our citizens to question whether they are rational beings.

"If DeBecourt's book is false in its facts, disprove them; if false in its reasoning, refute it. But, for God's sake, let us freely hear both sides, if we choose.

"The book is not likely to be much read if let alone, but, if persecuted, it will be generally read. Every man in the United States will think it a duty to buy a copy, in vindication of his right to buy and to read what he pleases."

Fortunately the open, unfearing view of Jefferson has been the prevailing one down through our history. The free exchange of ideas and the widespread circulation of books, magazines and newspapers have been basic in the American way of life. Indeed it is because freedom for the printed word is so deeply ingrained in our national character that the censorship of books and the blacklisting of authors in the State Department's overseas libraries have been so vigorously condemned.

Few of our leaders have stated this national characteristic of freedom of thought better than Dwight D. Eisenhower himself. As president of Columbia University he defined the "one principle which all free universities unflinchingly must defend." This is, he said, "the ideal of full freedom of inquiry and expression, the right of mankind to knowledge and the free use thereof." At Dartmouth last month the President spoke the urgent counsel "don't join the book burners" and "don't be afraid to go to the library and read any book." A week ago he told the American Library Association:

"Any who act as if freedom's defenses are to be found in suppression and suspicion and fear confess a doctrine that is alien to America. A democracy smugly disdainful of

new ideas would be a sick democracy. A democracy chronically fearful of new ideas would be a dying democracy.

"In order to fight totalitarians who exploit the ways of freedom to serve their own ends, there are zealots who—with more wrath than wisdom—would adopt a strangely unintelligent course. They would try to defend freedom by denying freedom's friends the opportunity of studying Communism in its entirety—its plausibilities, its falsities, its weaknesses."

These splendid statements are in the best American tradition. They are so much in the tradition that it is both disturbing and baffling that they are canceled in practice and even by some of the other things the President has said. For although he seems now to have forgotten saying it, the Washington correspondents recall distinctly that Mr. Eisenhower said 2 weeks ago it was all right with him if the State Department did as it pleased with books in the libraries overseas.

That the State Department has done about as it pleased is now no longer a matter of discussion. Slowly, almost painfully, the facts have been pulled out by the correspondents. Beginning February 1, less than 2 weeks after John Foster Dulles became Secretary of State, the Department began issuing directives on contents in these 188 libraries. A congressional committee heard that Mr. Dulles himself wrote the first of these. Pursuant to the 10 directives some 300 books by an uncertain number of unidentified authors have been purged. Secretary Dulles is the authority for the information that some books have even been burned.

In doing this, the State Department ignored its distinguished Advisory Committee on Books Abroad, as Wallace R. Deuel shows in his Washington dispatch on the first page of this section. As a consequence these librarians, scholars, and book publishers may resign in protest against the Eisenhower administration's failure to heed their recommendations.

All this has distorted the libraries grievously from their original purpose. That purpose has been admirably described by Robert Peel in the Christian Science Monitor:

"When United States information centers—Amerika Hauser—were started in Western Germany after World War II, they brought a great breath of fresh air to the people who for more than a decade had been stifled by authoritarianism. Inquiring Germans flocked to them, hungry for new ideas though suspicious at first of American attempts to indoctrinate them.

"What impressed them most and won a unique prestige for many of the Amerika Hauser was the diversity of views they found expressed there. Here was freedom of a sort many of the young Germans had never dreamed of.

"Unfavorable aspects of the United States were presented as well as the favorable—a clear indication to the Germans that this was more than propaganda. Books for and against world government, economic liberalism, or progressive education challenged them to independent thinking."

What was the effect of free and open libraries, with diverse points of view available on their shelves? Mr. Peel confirms the experience of other observers:

"Many Germans have borne witness to the fact that this was the most convincing proof that could have been offered of the falsity of Communist claims about the United States. This was the very air of freedom itself, and in many cases they lined up and waited patiently to get at the books, magazines, exhibits, and lectures which opened windows on a challenging new world."

Now, in a matter of some 5 months, in the administration of the President who was the first supreme commander in Germany and under whose authority many of these li-

braries were set up, the benefits have been seriously damaged, if not destroyed. Admiration for American belief in freedom of ideas has given way to cynicism. The disappearance of books on controversial subjects by questionable authors is all too familiar in Germany. For the Germans have not forgotten the tools of suppression that Hitler used to forge nazism.

This is the situation. What should be done to keep it from getting worse and insofar as possible to repair the damage to American prestige abroad?

First, there should be a full and frank statement by President Eisenhower which relates his fine sentiments about freedom of inquiry to the conduct of his State Department. He should unhesitatingly disavow official library censorship now that he knows what the facts are—because it is only too clear that he did not know the facts when he spoke at Dartmouth. He should say as much for Bert Andrews, Alan Barth, Walter White, Clarence K. Streit, Vera Michales Dean, General Stilwell, Langston Hughes, the Lynds, and other proscribed authors as he said for mystery story writer Dashiell Hammett.

Second, the President should also make public the directives under which these bans have taken place. Why should the directives be withheld from the public? Why should the people not know the full facts about this important piece of public business?

As a candidate, Mr. Eisenhower pledged himself to do the people's business in the open. Yet Senator HENNING'S repeated requests for the directives and the lists of authors have not been granted by the State Department. The Missouri Senator will serve all the Nation if he persists until the facts are released—in conformity with the administration's recent pledge of fuller public access to official information.

Third, there should be still another directive on this subject—one which restores the overseas libraries to their original purpose of presenting the American way of life, with its reliance on free exchange of ideas. As the librarians said at their annual meeting at Los Angeles, "no one could justify or would seek to justify the use of the overseas libraries to disseminate material harmful to the United States." With this the Post-Dispatch fully agrees. Funds for these libraries are limited. For practical reasons alone, subversive literature which seeks the overthrow of the United States Government is not going to get onto their shelves.

Our librarians abroad can be trusted to provide well-rounded libraries of useful books just as librarians at home are so trusted. There is no need for what the Library Association calls "elaborate, irrelevant, and offensive schemes of 'clearance' of authors." All was going well in these libraries until a pair of young troublemakers was sent abroad by a certain United States Senator. It is doubtful whether in the entire history of this country persons of less actual consequence have done more harm.

Our overseas libraries, as the American Library Association so correctly says, "do not belong to a congressional committee or to the State Department. They belong to the whole American people, who are entitled to have them express their finest ideas of responsible freedom. In no other way can the libraries effectively serve their purpose."

The recent Westchester conference of the ALA and the American Book Publishers Council staked out "a lofty claim for the value of books." It said:

"We do so because we believe that books are good, possessed of enormous variety and usefulness, worthy of cherishing and keeping free. We realize that the application of these propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable

belief that what people read is unimportant. We believe, rather, that what people read is deeply important; that ideas can be dangerous; but that suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours."

The noted French philosopher, Voltaire, put this thought in a few words when he said: "I disapprove of what you say, but I will defend to the death your right to say it." And the great Justice Oliver Wendell Holmes phrased what has become the golden rule of American freedom, when he said in the Rosika Schwimmer citizenship case in 1928:

"Some of her answers might excite popular prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate."

And yet the books of distinguished, thoroughly loyal authors have been purged from American libraries in an obeisance to little men with small minds.

Yes, Jefferson would be mortified.

MEMBERS OF THE UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

James L. Morrill: President of the University of Minnesota since 1945; president, University of Wyoming, 1942-45; prior to that taught at Ohio State University; appointed chairman of the Advisory Commission on Educational Exchange, 1951; past president of the Association of Land Grant Colleges.

Mark Starr: Educational director of the International Ladies Garment Workers Union since 1935; member of the board of trustees of the Institute of International Education; in 1946 labor educational consultant to SCAP in Japan; in 1945 member of the United States delegation to UNESCO Conference in London; member of the United States Advisory Commission on Educational Exchange since 1948.

Harold Willis Dodds: President of Princeton since 1933; had been associated with Princeton since 1927; before that taught at Purdue and Western Reserve; executive secretary and editor of National Municipal League from 1920 to 1928; adviser on election procedures for the Governments of Nicaragua and Cuba; member of the President's Advisory Commission on Universal Military Training, 1947, and the President's Commission on Integration of Medical Services to Veterans, 1946, and affiliated with various foundations—Rockefeller, Brookings, and Carnegie Fund for Advancement of Teaching; member of the United States Advisory Commission on Educational Exchange since 1948.

Dr. Martin R. P. McGuire: Professor of Greek and Latin at Catholic University; has been at Catholic University since 1924 and from 1937 to 1948 dean of Graduate School of Arts and Sciences; associate editor of Catholic Historical Review; member of the Board of Foreign Scholarships and advisory body on Fulbright program since 1947; member of the United States Advisory Commission on Educational Exchange since 1948 and chairman of the Committee on Books Abroad since 1952; also member of President's Commission on Higher Education, 1946 to 1948.

Edwin B. Fred: President of the University of Wisconsin; associated with the University of Wisconsin since 1913 as professor of bacteriology; dean of College of Agriculture from 1943 to 1945 and in 1945 became president of that university; member of the United States Advisory Commission on Educational Exchange and the National Science Foundation.

COMMITTEE ON BOOKS ABROAD MEMBERSHIP

Cass Canfield: With Harper & Bros. since 1924; became president in 1931 and chairman of the board of Harpers since 1945; from

1942 to 1943 with the Board of Economic Warfare in Washington; in 1944, in charge of the Division of Economic Warfare at the American Embassy in London; in 1945, Director of the Office of War Information in France.

Robert L. Crowell: Has been with Thomas Y. Crowell, book publishers, since 1931; in 1937 he became president; in 1951 was made a consultant to the State Department and made a survey of the overseas library and book program for the Secretary.

George P. Brett, Jr.: Has been with Macmillan since 1913 and president since 1931. Also a trustee of the Union Savings Bank of New York.

Robert B. Downes: Director of libraries and of the school of library service at University of Illinois since 1943; before that held same position at New York University and before that at the University of North Carolina; president of the American Library Association from 1952 to 1953; in 1948 was a special consultant on libraries to SCAP and in addition to being a member of the Commission on Overseas Libraries is a consultant on evaluation of that program to IIA.

INVESTIGATION OF THE EFFECTS OF WOOL IMPORTS ON DOMESTIC WOOL PRICE-SUPPORT PROGRAM

Mr. HUNT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a press release by the President, dated July 9, dealing in the main with the effect of wool imports on the domestic wool price-support program.

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

THE WHITE HOUSE,
July 9, 1953.

The President today requested the Chairman of the Tariff Commission to institute an investigation of the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the AAA of 1933, as amended. The President asked the Tariff Commission to report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary.

At the same time the President today wrote the Secretary of Agriculture requesting him to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. The President stressed the importance of including in the results of such a study constructive suggestions which will promote the development of a sound and prosperous wool industry and at the same time permit an expanding foreign trade.

The text of the President's letter to the Honorable Edgar B. Brossard, Chairman of the United States Tariff Commission, follows:

"DEAR MR. BROSSARD: On June 25, 1953, I wrote you concerning the investigation instituted by the Commission on September 2, 1952, under section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. The Commission was directed to keep under continuous review the Department of Agriculture programs for wool and the conditions as they may develop so that it would be in a position to report to me promptly in the event such a report was requested in the future.

"I have been advised by the Secretary of Agriculture that there is reason to believe that wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff

Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's-wool tops subject to duty under the said paragraph 1106 are being and are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for wool undertaken by this Department, or to reduce substantially the amount of products processed in the United States from domestic wool. The Department of Agriculture has had to take action to support the price of wool while at the same time there have been relatively large imports.

"The Tariff Commission is directed to institute an investigation and report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary under section 22.

"The Commission shall determine whether wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's wool tops subject to duty under the said paragraph 1106 are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the wool price support program or to reduce substantially the amount of products processed in the United States from domestic wool.

"Simultaneous with this request for an investigation under section 22, I am asking the Secretary of Agriculture to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. By such a study we hope to arrive at a solution of the more basic problems of the domestic wool industry, a solution that will promote the development of a sound and prosperous industry and at the same time permit an expanding foreign trade.

"I have asked the Secretary of Agriculture to submit at least a preliminary draft of the findings of such a study by the time the Tariff Commission makes its report under section 22.

"A copy of my letter to the Secretary of Agriculture relative to this investigation is attached, as well as a copy of his letter to me concerning the Tariff Commission's investigation of the wool industry under section 22.

"Sincerely,
"DWIGHT D. EISENHOWER."

The text of the President's letter to the Honorable Ezra Taft Benson, Secretary of Agriculture, follows:

"DEAR MR. SECRETARY: Today I have acted on the recommendation contained in your letter of June 30, 1953, by requesting the United States Tariff Commission to investigate the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the Agricultural Adjustment Act of 1933, as amended.

"You know my concern and reluctance with respect to any measure which tends to hinder foreign trade. I profoundly believe that the security of our country and the cause of world peace demand that we move toward freer and wider trade with friendly foreign countries. I also believe that a real and permanent solution of the long-term wool problem can be found that is consistent with the expansion of our foreign trade. Any such solution must, in the interests of the United States, depend upon progressive action on the domestic front leading toward a better product, lower costs, and broader markets.

"As a step in this direction, I believe it is desirable that this investigation by the Tariff Commission be supplemented by a

broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. In this way we may be able, not only to alleviate an immediate situation, but also contribute materially to the solution of the more basic problems of the domestic wool industry. Therefore, I request that the Department of Agriculture immediately take appropriate steps to implement a comprehensive study of this type. It is important that this project not only analyze the retarding factors now at work with respect to United States wool production, but also set forth constructive suggestions which will promote the development of a sound and prosperous domestic wool industry and at the same time permit an expanding foreign trade.

"In order that this study may be of value with respect to the present situation, I request that the findings be available at least in preliminary draft by the time the Tariff Commission makes its report under section 22. When completed, the study would be submitted to the proposed Commission on Foreign Economic Policy for its consideration.

"A copy of my letter to the Chairman of the Tariff Commission requesting an investigation of the wool situation under section 22 is attached.

"Sincerely,
"DWIGHT D. EISENHOWER."

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair lays before the Senate the unfinished business, House bill 5690, making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

Mr. SALTONSTALL. Mr. President, only one money change is called for by the amendments of the Senate Appropriations Committee. The other changes are in the language of the bill. Therefore, I believe it would be helpful to have the bill read for amendment at this time, and if there are questions regarding the amendments, I shall endeavor to answer them.

I now ask unanimous consent that the bill be read for amendment, with the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Atomic Energy Commission," on page 2, line 11, after the word "exceed", to strike out "\$2,389,130" and insert "\$2,739,130."

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "aircraft", to insert "purchase of five hundred and twenty-six passenger-carrying motor vehicles (of which four hundred and twenty-six shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies"; at the beginning of line 12, strike out "a" and insert "any"; in line 14, after the word "power", to strike out "reactor" and insert "reac-

tors"; in line 18, after the word "such", to strike out "reactor" and insert reactors"; and on page 5, line 2, after the word "available", to insert "at the start of such construction to meet the currently estimated cost."

The amendment was agreed to.

The next amendment was, on page 5, line 20, after the word "budget", to insert a colon and the following additional proviso: "Provided further, That the foregoing proviso shall not apply to any project for the alteration, extension, or improvement of technical or production facilities unless such project includes the construction of a new building estimated to cost in excess of \$100,000."

The amendment was agreed to.

The next amendment was, on page 5, line 24, after the figures "\$100,000", to insert a colon and the following additional proviso: "Provided further, That the Commission is authorized to transfer not to exceed \$10 million to the Bureau of Public Roads, Department of Commerce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission."

The amendment was agreed to.

The next amendment was, on page 7, after line 6, to insert:

Not to exceed 5 percent of any appropriation under this head may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

The amendment was agreed to.

The next amendment was, under the heading "Tennessee Valley Authority," on page 10, line 12, after the word "Authority", to strike out "so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority" and insert "until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the Appropriations Committees of the House and Senate on the advisability and feasibility of the acquisition of said building"; and in line 21, after the amendment just above stated, to strike out the colon and "Provided further, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of \$8,000 per annum."

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration," on page 11, line 11, after the word "exceed", to strike out "\$2,675,720" and insert "\$3,200,000."

The amendment was agreed to.

The next amendment was, on page 12, line 11, after the word "exceed", to strike out "\$753,800" and insert "\$856,000."

The amendment was agreed to.

The next amendment was, on page 12, line 17, after the word "exceed", to strike out "\$270,000" and insert "\$305,000."

The amendment was agreed to.

The next amendment was, on page 13, line 15, after the word "exceed", to strike out "\$3,200" and insert "\$4,800."

The amendment was agreed to.

The next amendment was, on page 13, at the beginning of line 24, to strike out "\$190,140" and insert "\$196,000"; on page 14, line 2, after the word "out-patient", to insert "fee basis"; in line 8, after the word "within", to strike out "2 years after separation from active service, or"; and in line 10, after the word "act", to strike out the comma and "whichever is later."

The amendment was agreed to.

Mr. HUNT. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 14, in line 8, was agreed to be reconsidered, for I should like to have the distinguished Senator from Massachusetts explain the amendment.

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

Mr. SALTONSTALL. Mr. President, there are two amendments in connection with dental services. There is 1 on page 14 in line 2; it is a clarifying amendment in connection with the action taken by the House of Representatives regarding the payment of dentists on a fee basis.

The second amendment is on page 14, in line 8. It is the one to which the Senator from Wyoming has directed attention. The provision adopted by the House indicated that any veteran could obtain free dental care if there were proof that his dental condition arose as a result of his service in the Armed Forces, either within 2 years after separation from the active service or 1 year after the enactment of this act, whichever was later.

The committee believed that provision was too stringent. Therefore it voted to strike out the provision with respect to 2 years after separation from active service, and to leave in the provision regarding 1 year after the enactment of this act.

As a result, if the committee amendment is adopted, when the bill becomes law, and for 1 year thereafter, any veteran who believes that his dental troubles have developed as a result of his service must certify that fact in order to obtain free dental care in the future.

Mr. HUNT. Mr. President, I thank the distinguished Senator from Massachusetts for the amendment which has been voted by the committee, for it leaves open to all the great number of veterans of World War I, the Spanish-American War, and of World War II, the possibility of securing this needed dental care, provided they make application within 1 year after the enactment of this act.

Mr. SALTONSTALL. That is correct. The amendment adopted by the Senate committee was the alternative one of the two, as offered to the committee by the Senator from Wyoming.

Mr. HUNT. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 14, in line 8.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 14, line 17, after the word "exceed", to strike out "\$13,000" and insert "\$18,200."

The amendment was agreed to.

The next amendment was, on page 15, line 24, after the word "date", to insert "or commitments for loans made by the Veterans' Administration"; and in line 25, after the amendment just above stated, to insert a colon and the following additional proviso: "Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended—Public Law 346, 78th Congress, as amended—liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

The amendment was agreed to.

The next amendment was, on page 17, line 6, after the word "for", to insert "planning for."

Mr. SALTONSTALL. Mr. President, I point out to the distinguished acting majority leader that this is the amendment about which he had a question.

Mr. KNOWLAND. Mr. President, I wish to ask some questions about the neuropsychiatric hospitals, one being at Topeka, Kansas; another at Houston; and the third at San Francisco.

The information I have from California—and I think it also applies to the situations in Kansas and Texas—is that there is very great need for, and a shortage of, neuropsychiatric hospitals and facilities.

I understand that the Senate committee has voted to strike out the language adopted by the House, on which the House had worked with considerable care. Was that done because of information coming to the attention of the subcommittee and the full committee, that the plans were not yet available and

that even if funds were provided, actual construction could not commence at this time, because of a lack of plans?

Mr. SALTONSTALL. The Senator from California has stated the situation correctly. I shall be glad to discuss the matter further for a few minutes, if the Senator from California cares to have me do so.

Mr. KNOWLAND. Yes, I should like to have the Senator from Massachusetts do so. He is a very conscientious chairman of the subcommittee, and certainly I wish to support the recommendations of the subcommittee. However, I feel most deeply about the care of those who have developed neuropsychiatric problems as a result of service to their country. Of course, sometimes it is a little difficult to determine whether such conditions are service connected. I know there is great need for, and a great shortage of, neuropsychiatric hospitals and facilities in the area on the Pacific coast, and I believe a similar situation exists elsewhere in the Nation.

Otherwise, I would have felt some obligation to submit an amendment to support the action taken by the House of Representatives; but when I explored the situation and learned that the plans were not actually available at this time, I felt that if we could be assured that the bill provided funds with which the planning could be expedited, so that when the plans were available, the Veterans' Administration, through the Bureau of the Budget, could come to Congress with specific figures on what the cost of construction would be, I would not be inclined to resist the committee's action.

Mr. SALTONSTALL. Mr. President, I think the Senator from California has stated the situation correctly, and that there will be no delay. I agree with what he has said; and I know how the Senators from Kansas feel about the matter, because they testified before the committee.

Unquestionably there is need for more neuropsychiatric hospitals. The question is how fast we can proceed, and whether we can proceed without planning.

Let me state for a moment the situation as the committee found it in regard to the three new hospitals.

Mr. SCHOEPEL. Mr. President, will the Senator from Massachusetts yield to me at this time?

Mr. SALTONSTALL. I yield.

Mr. SCHOEPEL. Does the Senator from Massachusetts intend to cover the situation affecting the three hospitals named in the report, and to which the distinguished acting majority leader has referred?

Mr. SALTONSTALL. I do.

Mr. SCHOEPEL. Because I wish to concur 100 percent in the position taken by the distinguished Senator from California, the acting majority leader [Mr. KNOWLAND]. There is much concern about this matter.

I wish to ask the chairman of the subcommittee, after the conclusion of his statement, certain questions with reference to the situation.

Mr. SALTONSTALL. I shall be very happy to try to answer them.

The subcommittee, I believe, has made a very careful study. The action taken was taken advisedly, and without a thought of not ultimately building the hospitals in question, but with the idea that nothing would be gained by appropriating money for construction this year.

The situation in regard to veterans' hospitals is that at the present time there are approximately 114,000 veterans' hospital beds, and, in addition, 18,000 domiciliary beds. Ten new hospitals are to come into existence in the current fiscal year. These 10 new hospitals will have 7,657 new beds. In addition to those, there are 2,300 beds now in existing hospitals which have been shut down because of lack of funds with which to operate them.

If Congress approves the appropriation for operating hospitals now contained in the bill, that is, the amount made available by the House, there will be 7,000 new employees. With that number of new employees 2,300 beds in existing hospitals can be placed in operation, there will be approximately 4,700 employees available for the new hospitals as they come into service this year.

As I said, it is figured there is about 1 employee to a bed; to be exact, nine-tenths of 1 employee. So if 7,657 new beds are provided this year, 4,700 employees will be available to operate them.

There is at the present time available in the Veterans' Administration an estimated unobligated balance of \$60 million as of June 30, 1953, for the construction of new hospitals, and there is an additional \$20 million for major betterments and additions. In other words, this represents money already appropriated, which the Veterans' Administration has not been able to use because the construction has not become possible. As I have said, there are 10 new hospitals to come into existence this year.

With relation to the hospitals for Topeka, San Francisco, and Houston, the House included what they believed to be a sufficient amount with which to construct the hospitals; but the Senate committee was informed by the Veterans' Administration that it has no money with which to plan or to provide technical services for these hospitals. The Veterans' Administration tells us that in the case of the Topeka hospital, assuming that everything should go ahead without delay, the estimated time for awarding the contract would be March 1955, with completion around September 1957. In the case of the San Francisco hospital the award of the contract would be in November 1954, with completion in May 1957. In the case of the Houston hospital the contract would be awarded in May 1955, and the date of completion would be May 1957.

It will therefore be seen that in all three of these instances the contracts cannot be awarded until the next fiscal year. In the meantime, we have included in the bill an appropriation of \$2,500,000, which we understand is sufficient to permit going ahead and drawing the plans for hospitals which the Veterans' Administration may consider necessary.

I may say to my distinguished colleagues that the committee has included in the bill on page 17, line 6, the words "planning for" and in line 7 the bill as passed by the House contains the words "any of the facilities." The committee felt that when the Veterans' Administration were planning hospitals they should not be confined to the planning of the three hospitals specifically, but that we should leave it open so they could use \$2,500,000 with which to plan whatever hospitals they felt should have No. 1 priority.

Mr. KNOWLAND. Mr. President, I should like some assurances, if the distinguished Senator from Massachusetts can give them, that the money for planning will not be used for other purposes, but for what I feel represents a very urgent need. I refer to the neuropsychiatric hospitals, regarding which I fully agree with the Senator that, based on the information he has received from the Veterans' Administration, it would be useless to appropriate the funds now, for if the plans are not ready construction cannot be proceeded with.

But I feel that what is proposed is not satisfactory. If we were to appropriate only \$2.5 million, and if that were found to be insufficient, and the Veterans' Administration should use that money for other purposes, and we would be faced again next year, when Congress reassembled, with the fact that no planning had been done for these hospitals, and it would be necessary to repeat the operation all over again. Therefore, I think it important to raise a question about this item on the floor. The bill, of course, will have to go to conference.

Mr. SALTONSTALL. That is correct.

Mr. KNOWLAND. I hope the distinguished Senator will explore with the Veterans' Administration, before it goes to conference, the question whether in their judgment they would be in a position, with \$2,500,000, to proceed with the neuropsychiatric hospitals. If they would not be, with that sum, then I ask the Senator whether, under the general rules governing conferences between the Senate and the House of Representatives, if it were found necessary to add to the appropriation to make certain that that could be done, there would be sufficient flexibility in the conference so that an additional amount for planning could be included in conference to make sure that the matter would be taken care of.

Mr. SALTONSTALL. Mr. President, in reply I may say, first, that the committee was informed by the Veterans' Administration that the amount included for planning was sufficient. If it proves to be insufficient, there is plenty of leeway to increase it.

With respect to neuropsychiatric hospitals, in the report of the Veterans' Administration last year, and again in this year's report, it has been emphasized that the neuropsychiatric hospitals represent the greatest need. Therefore, it is presumed that plans would be made to increase the number of such hospitals.

Mr. KNOWLAND. I would appreciate it, too, if the Senator would direct his staff to ascertain, when conferring with representatives of the Veterans' Administration, the length of time normally

required for the development of plans. The information I received was that it required approximately 9 months to complete the planning. I would appreciate it if the Senator would direct his staff to check into that matter. I have also been told that after the plans are completed, normally about 3 months are required for the advertising of bids, the making of contracts, and so forth. So the only thing I would want the conferees to doublecheck on would be as to whether there are sufficient funds to permit expedition in the matter of planning.

Mr. SALTONSTALL. I agree with my colleague entirely, and I shall do my utmost to see that the two ideas he advances are embodied in the bill.

Mr. KNOWLAND. I thank the Senator from Massachusetts.

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

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPEL. In the light of the questions asked by the distinguished acting majority leader and the answers given by the distinguished Senator from Massachusetts, I obtain the impression that this item is practically equivalent to an earmarking of funds sufficient in amount to provide for the preparation of plans for the three hospitals to which reference has been made. Is that a fair statement?

Mr. SALTONSTALL. In order to clarify the matter, and to be perfectly frank with my friend, the Senator from Kansas, the committee includes provisions for the planning of hospitals. There is a sufficient amount, as I said to my colleague, the Senator from California, for the planning of the three hospitals in question. But the wording is applicable to any hospitals. In other words, it would not necessarily be restricted to the hospital at Topeka or at San Francisco. Plans could be made for a neuropsychiatric hospital somewhere else, if it were deemed advisable to have one somewhere else.

I would say, from the evidence offered by the Veterans' Administration and by the distinguished doctor from Topeka who testified, presumably—I can say only presumably—the rebuilding of the hospital at Topeka would have a very high priority. But I cannot assure the Senator of that fact.

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

Mr. SALTONSTALL. As soon as I complete the discussion with the Senator from Kansas.

Mr. SCHOEPEL. Pursuing the matter further with the distinguished Senator from Massachusetts, if planning money is available, and it is the intention to press for planning money for this type of hospital, it certainly is the feeling of the chairman of the committee, is it not, that if such a need exists it would be the intention of the committee later on to act on a request for additional funds to complete the hospitals?

Mr. SALTONSTALL. That is correct. Furthermore, I would invite the Senator's attention to the fact that the approval of the President is required. That is provided for in lines 6 and 7 on page

17 of the bill. So that plans for the selection of the site and plans for the construction of the hospital would proceed with the approval of the President. It is my recollection that there were four hospitals provided for in the bill last year by the House committee. They were eliminated by the Senate, but two of them were restored in conference. The two not put back in conference are two which are on the list this year, the one at Topeka and the one at San Francisco. So, presumably, they would have a very high priority.

Mr. SCHOEPEL. Like the Senator from California [Mr. KNOWLAND], I was prepared to offer an amendment, but some facts and circumstances have been brought out here, namely, the lack of planning and the unavailability of plans until 2 or 3 years in the future, together with the expression by the distinguished chairman of the committee that the intention is to pursue in conference the effort to obtain sufficient funds to provide for planning of hospitals, which cause me to want to go along with the committee, if I can. But there is a very definite need for the type of treatment provided by hospitals of this kind.

Mr. SALTONSTALL. I agree with the Senator.

Mr. SCHOEPEL. I wanted to be doubly sure that if the matter is not pressed at this time, we would not be foregoing something which, in view of the facts, we should be diligent in pursuing.

Mr. SALTONSTALL. I think we are going forward with the projects in the most practical way, and I believe the committee has provided the amounts by which they can go forward as far as if we appropriate the whole amount of money for construction this year.

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

Mr. SALTONSTALL. I yield.

Mr. CARLSON. I appreciate very much the reassuring words of the distinguished chairman of the committee regarding the hospital at Topeka. On the other hand, I think I can say with my distinguished colleague from Kansas that we are disappointed that funds are not made available for the commencement of construction of the hospital at Topeka which is so badly needed. The hospital at the present time, as I am sure the Senator heard the witnesses testify, cannot properly care for neuropsychiatric cases.

We sincerely regret that we cannot tell the veterans of the Nation that we are going to commence work on the hospital; but I appreciate very much the remarks of the Senator from Massachusetts. I fully realize that it would be useless to offer an amendment from the floor, because I want to go along with the committee, and I know of no one who is better qualified to handle this matter than is the Senator from Massachusetts.

I sincerely hope the Appropriations Committee of the Senate will assist us in securing the early commencement of the hospital which is so badly needed.

Mr. SALTONSTALL. I thank the Senator from Kansas. I think my re-

marks to the senior Senator from Kansas indicate my feelings on the subject.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield? Mr. SALTONSTALL. I yield.

Mr. DOUGLAS. Am I correct in inferring from the statement of the Senator from Massachusetts that the reduction from \$48,867,000 to \$2,500,000, in lines 12 and 13, on page 17, is, in reality, merely a postponement of the appropriation of the necessary amount and is in no sense a real saving in expenditures by the Government?

Mr. SALTONSTALL. I would answer my colleague from Illinois by stating that that is my understanding. There is a great need for neuropsychiatric hospitals. The Government is going ahead with 11 new hospitals that will come into operation in 1954, but the evidence shows that there is a strong demand and a waiting list with reference to neuropsychiatric cases, and this money would provide planning for completing such hospitals.

Mr. DOUGLAS. Mr. President, will the Senator yield so that I may make a brief statement?

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may yield to the Senator from Illinois for a statement, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, all of us have great respect for the Senator from Massachusetts, and it is deserved respect, but what I want to point out is that someone may take these figures to indicate great savings for the taxpayers. The Senator from Massachusetts has just frankly stated, with his characteristic honesty, that this apparent saving of approximately \$46 million will ultimately be no saving at all. It represents merely a postponement of an appropriation.

I should similarly like to point out that the apparent reduction of \$300 million in the field of compensation and pensions for veterans is unreal. It is a paper saving and not a real saving, because the funds for the program of compensation and pensions to veterans, as was stated in the House report, are for the purpose of meeting contractual obligations of the Federal Government. The only actual reduction in expenditures possible for this area would have to be the result of fewer claims. In view of the mounting number of claims resulting from the Korean war, my judgment is that the number of claims is going to increase greatly during the coming year. So, the failure of the committee to appropriate certain sums is not a real saving at all.

Mr. SALTONSTALL. Has the Senator completed his statement?

Mr. DOUGLAS. I have completed my statement on that point, but I should like to point out other unreal savings in the bill.

Mr. SALTONSTALL. With reference to the question of compensation and pensions, the estimate of the Veterans' Administration is the largest ever submitted by that Administration.

Three new acts passed last year—Public Law 356, Public Law 357, and Public Law 427—so that the estimates must be an educated guess at best. The Veterans' Administration states that it has sufficient money for 10 months. No one can tell the exact amount required for the full year. Both the Senate and the House committees have emphasized in their reports that it is the intention to make sure that the veterans receive their compensation, and both committees have stated that when a better estimate is provided, based on actual experience, we shall be in position to provide the money in a supplemental bill.

Mr. President, I ask unanimous consent that I may place in the RECORD at this point in my remarks a brief statement which explains what I have just stated.

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

COMPENSATION AND PENSIONS

VA prepared the estimate of \$2,546,291,000 by using caseload and average monthly payment experience in 1952 and prior years, then added effects of 3 new acts last year.

Public Law 356, general increase in rates to most groups of veterans and their dependents.

Public Law 357, increased income limitations, which brought in new group previously excluded by excessive income.

Public Law 427, increased statutory rates for more seriously disabled groups, and authorized for first time for World War II and Korean veterans monthly rate for arrested tuberculosis and additional allowance for loss or loss of use of creative organ.

Therefore, this was the largest estimate ever submitted by VA for this item. Since World War II supplementals each year have made up the difference between regular appropriation and amount finally required to pay all compensation and pensions.

VA states they have enough in the bill for 10 months, and no one can tell exact amount to be required for year. So that, again, supplemental before next April can supply full amount needed for all approved compensation and pensions.

Rumors which have been circulated that the Senate and House committees intended to cut the actual money paid to a veteran for compensations and pensions are entirely without foundation. No veteran who is entitled to compensation and pensions will fail to get it.

Mr. DOUGLAS. Is it not true that the expenditures are controlled by law, and, therefore, the failure of the committee to appropriate does not in any sense diminish the expenditures which the Government will ultimately be called upon to make?

Mr. SALTONSTALL. That is correct.

Mr. DOUGLAS. I am very glad to have the Senator say that, because some persons who may not have his rugged quality of intellectual honesty may later use these figures to indicate great economies which have been made by this administration and by the committee.

Furthermore, I wish to point out that \$165 million of the claimed reduction of \$221 million in veterans' readjustment benefits is also unreal and merely involves a postponement of appropriations which will have to be made later.

Mr. SALTONSTALL. I wish to point out to the Senator from Illinois that there is an amendment in the bill that

has not yet been reached, which would allow a 10 percent shifting between the various funds that are required to be paid out by law. The purpose of the amendment is to make the educated guess a little more accurate so as to avoid having to return to Congress for more money.

Mr. DOUGLAS. It is true, I think, that the committee effected real savings of approximately \$56 million by the inclusion in the bill of a provision prohibiting the use of funds for payment to the lender of an amount equivalent to 4 percent of the loan made or guaranteed in connection with any loan for the purchase or construction of homes, farms, and business property. However, the \$165 million of the total reduction for Veterans' Administration readjustment benefits was not a real saving, but was simply a failure to appropriate for claims that will later accrue. Is not that correct?

Mr. SALTONSTALL. The Senator states the situation correctly.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I ask unanimous consent that the statement I have prepared on these three points be printed in the RECORD at this place.

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

UNREAL REDUCTION IN SECOND INDEPENDENT OFFICES APPROPRIATIONS BILL (H. R. 5690) AS REPORTED BY SENATE APPROPRIATIONS COMMITTEE

1. Veterans' Administration, compensation, and pensions: Unreal reduction, \$300 million.

Funds for this program, as stated in House report, are for the purpose of meeting contractual obligations of the Federal Government. Thus the only reductions possible would have to be a result of fewer claims. In view of mounting claims resulting from Korean hostilities, expenditures in this area are likely to increase rather than decrease.

2. Veterans' Administration, readjustment benefits: Unreal reduction, \$165 million.

Total reductions proposed in this area come to \$221 million. As stated in the House report, this total is made up as follows: (a) \$96 million due to a revised estimate; (b) \$69 million due to carryovers; (c) \$56 million representing savings by effecting changes in the program.

As in the case of pensions, expenditures for this program flow from contractual obligations, and thus savings must come from changes in the law. Thus, only the \$56 million resulting from changes in the law is a real saving. The rest of the reduction, \$165 million, is unreal.

3. Veterans' Administration, hospital and domiciliary facilities: Unreal reduction, \$46 million.

As stated in the Senate committee report, there is no intent, by this reduction, to stop the expenditure of the total amounts passed by the House. Funds were provided to proceed with the construction of the hospital involved, and the reduction is merely a postponement of appropriating the necessary amounts.

Total unreal reductions, \$511 million.

Mr. SALTONSTALL. Mr. President, in the Veterans' Administration last year, for readjustment benefits, there was an estimated unobligated balance of \$65 million on June 30, 1953. I merely point that out to show how difficult it is to estimate the figures far in advance.

Mr. DOUGLAS. The only point I was making is that, when the funds represent contractual obligations, failure to appropriate does not diminish expenditures. However, I wish to say that the committee did effect a substantive economy of \$56 million.

Mr. FLANDERS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Vermont.

Mr. FLANDERS. As the bill was being read and explained by the Senator from Massachusetts, I observed that provision was made for operating expenses, which would insure that beds now unavailable would be placed in use.

Mr. SALTONSTALL. Twenty-three hundreds beds in existing hospitals have been closed because of lack of attendants. Funds are provided in the bill for 7,000 new employees, of which 2,300 would go into existing hospitals, which means practically one attendant for every bed.

Mr. FLANDERS. I may say to the Senator from Massachusetts that I am interested in this item, because a certain number of beds in the hospital at White River Junction, Vt., were closed. Yet the bill expressly includes provision that a hospital or building in the Senator's own State is to be enlarged by 300 beds.

I hope the Senator, whose attention seemed to be diverted momentarily, heard what I said.

Mr. SALTONSTALL. I did.

Mr. FLANDERS. It seemed to me a ridiculous situation that beds should be closed in one hospital, while plans to enlarge another hospital, located not too far away, were being made. I wonder if any assurance can be given that in time to come a thoroughly foolish and wasteful policy, as it seems to be, will never again be undertaken.

Mr. SALTONSTALL. I cannot say that it will never again be undertaken. However, I am informed that, while closed, 2,300 beds in existing hospitals will be put into use, there still will be beds in existing hospitals that will be closed. I was not aware of that situation.

Mr. FLANDERS. Meanwhile, there are plans to build new hospitals.

Mr. SALTONSTALL. That is correct.

Mr. FLANDERS. Does the Senator from Massachusetts have any way to explain why new hospitals should be built, when those already built are not being used to their fullest extent?

Mr. SALTONSTALL. I can only say that the new hospitals are planned for localities where they are needed. We shall place in service in the coming year, if our plans carry through on time, 10 new hospitals, having 7,600 new beds. However, I am informed that 2,300 employees will move into existing hospitals.

Mr. FLANDERS. I do not know that I can get the information from the Senator, because probably he does not possess it, but is there assurance that the hospital in Vermont will be included among the hospitals whose beds will be reopened?

Mr. SALTONSTALL. I cannot give the Senator that assurance, because Dr. Boone, when he appeared before the committee, did not go into detail as to

which hospitals would be included. I shall be glad to try to secure the information for the Senator from Vermont if he desires to have me do so.

Mr. FLANDERS. I should like very much to have the Senator from Massachusetts ascertain that information for me.

Mr. SALTONSTALL. I shall be glad to do so and to write a letter to the Senator, giving him the data.

Mr. FLANDERS. I thank the Senator very much. Veterans in Vermont had access to the service and advice of one of the finest clinics in the United States, the Mary Hitchcock Clinic, at Hanover, N. H. That was closed. Yet the Government is proposing to build new hospitals, even in the State of New Hampshire, which seems to me to be rank foolishness. I hope it will not continue.

Mr. SALTONSTALL. I shall obtain for the Senator from Vermont the information he has requested.

Mr. SCHOEPEL. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPEL. I do not wish to be repetitious in my remarks, but I may say to the Senator from Massachusetts that I have just received information which I thought I had with me at the time of my previous discussion with the Senator, and I desire to refer to it now.

In H. R. 5690, as passed by the House, the distinguished Senator knows there was included in the appropriation, under the title "Hospital and Domiciliary Facilities," an appropriation of \$48,876,000. For the purpose of the record, that sum was for the construction of 1,000-bed hospitals at San Francisco, Calif., and Topeka, Kans., and for construction of a 250-bed addition to a hospital at Houston, Tex.

In reporting the bill, the Appropriations Committee of the Senate has included \$2,500,000 in the appropriation item for planning purposes. That was what we were discussing awhile ago. What I was concerned about initially was the report from the subcommittee which the distinguished Senator from Massachusetts heads, Report No. 502. In that report it is not made specific that it is contemplated that funds for construction will be considered by Congress at a later date.

I know the Senator from Massachusetts cannot be positive and specific, but what I am interested in knowing is to what extent he would be willing to go to indicate briefly, in connection with the hospital program, the necessity for building the additional hospitals, so that when plans are made, appropriations can be made therefor.

I had thought that, for the purpose of clarifying the report, the committee might consider taking to conference an amendment following the amount shown on page 17, line 13, as follows:

Provided, That appropriations of additional funds to accomplish construction of facilities under such plans are hereby authorized.

Mr. SALTONSTALL. Mr. President, in reply to the Senator from Kansas, I may say that we have a letter from

the Veterans' Administration dated June 30, 1953, which states that the cost of technical services, architectural, and so on, for the San Francisco hospital will be \$1,035,000; for the Topeka hospital, \$1,193,000.

I call to the Senator's attention the fact that these hospitals, when they are built, or when money is to be appropriated for them, must have the approval of the President. As I read this provision, what the Veterans' Administration will do is to make recommendations that it be allowed to plan, we will say, for 3 new hospitals, or 2 new hospitals and the Houston addition, and then get the approval of the President.

In the revised budget of this year, the so-called Eisenhower budget, no money was recommended for the building of these hospitals. It was left out. The House provided such an appropriation, but the Senate committee has stricken it out and provided planning money. As a member of the committee, I could not, speaking for the committee, give the Senator assurance that money for construction will be appropriated next year, because we cannot bind the Congress in the future. If the President approves the planning of these hospitals, presumably, if financial conditions are right, or the need is great, he will submit a request to the Congress in the next budget.

This is the fourth year in which the Senator from Massachusetts has been concerned with the hospital problem. He has, I hope, a reasonable understanding of it.

Mr. SCHOEPEL. I am sure the Senator has. I thank the Senator for his appraisal of the situation. I can well understand that the program hinges on certain contingencies. However, I know that the Senator from Massachusetts is very sympathetic toward the projects which were deleted from the bill, as I am sure the majority of the membership of the committee is.

Mr. SALTONSTALL. I think all members of the committee feel the same way.

Mr. SCHOEPEL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in the colloquy between the senior Senator from Kansas and the Senator from Massachusetts, in charge of the bill, certain telegrams and letters showing the necessity for the hospital in Kansas.

Mr. SALTONSTALL. I appreciate the courtesy of the Senator in placing this material in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

TOPEKA, KANS., July 5, 1953.
ANDREW F. SCHOEPEL,
United States Senate,
Washington, D. C.:

Please work to have funds for new VA hospital restored to budget. This psychiatric training center is vitally needed for VA hospitals throughout the country. Curtailing this item in budget is false economy. Your cooperation in behalf of our mentally ill veterans is appreciated.

CLAIRE PERKINS.
FLOYD PERKINS.

MANHATTAN, KANS., July 6, 1953.

Senator ANDREW SCHOEPEL,
United States Senate Building,
Washington, D. C.:

We urge everything possible be done to restore the Topeka VA hospital funds in the current budget. Request reply.

American Legion Post 207, Ogden, Kans.;
Mike Pat Morrard, Charles J. Morrard,
W. J. Dickerson, Jasper Hartung, Ralph Guyer, Ed Staten, Bill Hight, Ivan DeWitt, Harold Christopherson, Roy Stehr, Louis Brown, Bill Starchenko, Aubrey Crosby, Ray Bluthardt, Glenn Klimek, Bob Boller, Vincent Kromer, Francis Kramer, Edwin Kramer, Melvin Dovin, Garret Fraunfelder, Clifford Jensen, Marion Smith, Hiram Bumbaugh.

COFFEYVILLE, KANS., July 6, 1953.

Senator SCHOEPEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SCHOEPEL: Two hundred seventy-five American Legion auxiliary members Coffeyville Unit, No. 20, want the money restored to build the new VA hospital. Winter VA hospital at Topeka is needed and we are counting on you to do everything possible.

Sincerely,

Mrs. ELLA MILLER,
First Vice President, Coffeyville Unit, No. 20.

PRATT, KANS., July 6, 1953.

Senator ANDREW SCHOEPEL,
United States Senate,
Washington, D. C.

DEAR ANDY: Regards to appropriations to vet hospitals. Members of Cedric H. Shaw Post, W. Boughner, Commander, and myself ask for every consideration for its grant.

Kindest regards.

DONALD C. LUNT.

KANSAS CITY, KANS., July 6, 1953.

Senators SCHOEPEL and CARLSON,
United States Senate,
Washington, D. C.:

The membership of this post strongly urge restoration of the \$48 million appropriation to provide VA hospital projects including the new Winter Hospital, Topeka, Kans., which we consider urgently needed.

AMERICAN LEGION,
ROSEDALE POST, No. 346.

GIRARD, KANS., July 6, 1953.

Senators SCHOEPEL and CARLSON,
Washington, D. C.:

We, the members of the Priestly Ridley Post, No. 35, of the American Legion Auxiliary, Cherokee, Kans., urge the Senators to endorse \$48,867 for three VA hospitals and not to knock it out of the VA money bill previously passed by the House.

EMMA RUPARD,
President.
DOROTHY TINS,
Secretary.

PRATT, KANS., July 7, 1953.

Senator ANDREW SCHOEPEL,
United States Senate,
Washington, D. C.:

Entire membership of local American Legion Auxiliary ask that you do everything possible to restore cut in appropriations bill which will eliminate rebuilding of Winter General Hospital. If all Members of Congress would visit hospital, as you have done, they certainly would favor new building program.

Mrs. R. A. FLANDERS,
Secretary.

PARSONS, KANS., July 7, 1953.
United States Senator ANDREW F. SCHOEPEL,
Senate Chamber,
Washington, D. C.:

We are asking you to vote to restore the appropriation whereby the veterans' hospital at Topeka, Kans., will be built which is so badly needed at this time, and vote to override any bill cutting the veterans' benefits. Very truly yours,

WILLIAM G. ROBERTS,
Commander, American Legion Post
No. 56.

CLAY CENTER, KANS., July 7, 1953.
Hon. ANDREW F. SCHOEPEL,
United States Senator,
Washington, D. C.:

The Alonzo F. Dexter Post of Clay Center, Kans., having 378 members, desires that you do all in your power to restore the VA appropriations to build a permanent hospital at Topeka, Kans. Many psychopathic veterans now being denied admission due to inadequate facilities.

WILLIAM POTENSKI,
Commander.

ELDORADO, KANS., July 8, 1953.
Hon. ANDREW F. SCHOEPEL,
United States Senator,
Senate Office Building,
Washington, D. C.:

We 1,140 members of Captain Edgar Dale Post, No. 81, the American Legion, Eldorado, Kans., emphatically urge you to support the construction of VA hospital at Topeka, Kans. Please reply.

W. K. MARTIN,
Commander.

LAWRENCE, KANS., July 8, 1953.
ANDREW SCHOEPEL,
Senate Office Building:
Legionnaires voted to urge both Senators to support VA budget so that money will be provided to build new VA hospital at Topeka.

ROSS F. WULFKUHE,
Commander, Dorsey Liberty Post,
No. 14.

EUDORA, KANS., July 8, 1953.
Hon. Senator ANDREW SCHOEPEL:
Please urge Senate to appropriate money for Winter General Hospital.
AMERICAN LEGION AUXILIARY.

FRANKFORT, KANS., July 8, 1953.
Senator ANDREW F. SCHOEPEL,
United States Senate Chamber:
Please see that money is provided to build new Winter General Veterans' Hospital at Topeka.

LEO MCMINNMY UNIT, No. 181,
ROSE KELLY, President.

FRANKFORD, KANS., July 8, 1953.
Senator ANDREW SCHOEPEL,
United States Senate Chamber:
Please fight for appropriation for new Winter General Veterans' Hospital at Topeka.
AMERICAN LEGION POST, No. 181,
TED KUCKELMAN, Commander.

WICHITA, KANS., July 7, 1953.
Senator ANDREW SCHOEPEL,
Senate Office Building:
American Legion auxiliary solicits your support for restoration of funds in construction of new hospital at Topeka.
SOPHIA FORDHAM,
Department President-elect.

BONNER SPRINGS, KANS., July 7, 1953.
Senator ANDREW SCHOEPEL:
Please see that money is provided for rebuilding new VA hospital at Topeka. Urgent.
AMERICAN LEGION AUXILIARY,
UNIT, No. 371.

HUTCHINSON, KANS., July 7, 1953.
Senator ANDREW SCHOEPEL,
Senate:

Urge your full support to restore funds in Veterans' Administration budget for new hospital, Topeka.

GUY E. HOLT, Jr.

PRATT, KANS., July 6, 1953.
Senator ANDREW SCHOEPEL,
Kansas Senator:

The American Legion of Pratt has fully endorsed the appropriation of \$40,867,000 for 3 VA hospitals which was passed by the House, 1 to be built in Topeka, Kans. This bill is a necessity. Please do your best in the Senate.

WILTON BOUGHNER,
Commander, American Legion Post.

MAPLE HILL, KANS., July 7, 1953.
Senator ANDREW F. SCHOEPEL,
Senate Chamber:

We urge your support of appropriations for VA hospital projects.

JAMES ELMER ROMICK POST, No. 130,
AMERICAN LEGION.

INDEPENDENCE, KANS., July 7, 1953.
Senator ANDREW F. SCHOEPEL,
Senate Office Building:

Please do everything possible to see that money is provided to build a new VA hospital in Topeka, Kans.

HAROLD R. ANDREWS POST, No. 139,
THE AMERICAN LEGION.

ELLSWORTH, KANS., July 3, 1953.
Senator ANDREW SCHOEPEL,
Washington, D. C.:

Please do everything in your power to replace appropriation where amount will be included in VA bill before committee. We need Topeka hospital.

ELLSWORTH POST, No. 174,
MELVIN SPARKS, Commander.

LEAVENWORTH, KANS., July 4, 1953.
Hon. ANDREW H. SCHOEPEL,
United States Senate:

Post action requests your support to restore funds for new hospital at Topeka, Kans.

BYRON H. MEHL POST, No. 23,
AMERICAN LEGION,
KARL A. WHICKER, Adjutant.

FORT SCOTT, KANS., July 3, 1953.
Senator ANDREW SCHOEPEL,
Senate Office Building:

Don't let vets down on Topeka hospital. Please do everything possible.

GEORGE LUFFEL.

BURLINGTON, KANS., July 3, 1953.
Senator ANDREW F. SCHOEPEL,
Washington, D. C.:

We respectfully urge you to do everything possible to see that money is provided to build new hospital at Topeka. Return reply requested.

Edwin Zscheile, commander, and the following members of Congdon-Kepler Post, No. 38: M. B. Armstrong, G. W. Anderson, W. E. Anderson, D. H. Ashburn, R. C. Atter, Emil Atzback, W. N. Batdorf, Wayne Bentley, D. E. Blue-jacket, L. D. Bowen, L. H. Bowman, B. L. Brownfield, Wm. A. Buckles, A. M. Burrell, H. G. Butler, Clyde Bull, A. B. Caldwell, J. C. Carney, R. M. Tearter, Vernon Cartmell, M. K. Caudell, C. M. Cellar, Thomas Cellers, Arthur Chat-terton, Champ Clark, J. J. Conrad, Lee Combs, L. H. Cooksey, W. R. Cooksey, Clair Corbin, W. H. Cossart, Earl Coulter, T. A. Coy, Landon Daggett, T. E. Deaton, F. A. Daugherty, Leo Decker, P. E. Decker, O. W. Dickason, Q. C. Demoss, J. J. Diegel, Chas. Dwight, R. A. Dwight, Floyd Ecord, L. R. Epting,

R. H. Everett, B. B. Ferman, Frank Ferris, Beryl Fodge, J. F. Fischer, F. T. Forbes, M. D. Freeman, Elza Fosnight, G. E. Franklin, Leonard Freeman, James Fry, Raymond Garrett, Dale Gillespie, Lee Graham, Ray Griffin, C. A. Grennan, Frank Grose, Fred Hahn, Paul Haight, R. W. Hart, Carl Hart, F. H. Harvey, Lester Hayes, Henry Hegwald, M. W. Henley, E. E. Hemick, Andrew Hoach, Otis Hoffman, E. B. Howe, V. H. Howe, O. B. Hunt, M. F. Hogan, G. H. Hudson, W. E. Hunter, Delbert Helmer, Roy Helmer, A. D. Jacobs, Theo Judah, C. I. Irwin, John Jauernig, Donald Karr, Ray Kennard, Elmer Kepler, Irwin Klamm, Burt Knowles, Wm. Kraft, F. A. Lewis, Perry Martin, J. D. Meek, Edgar Mechnig, M. E. Merritt, R. W. Milliken, Dr. S. A. Mills, H. W. Morris, M. E. Mast, Henry Malick, Wm. G. Morris, A. D. McCallon, Dr. A. B. McConnell, Beryl McCullough, Amer McCullough, D. C. McCullough, F. L. McCullough, R. L. McCullough, S. C. McMurray, W. L. McCormick, Harold McKinstry, Dale Stulp, George Robinson Pat Wagner, William Singular, Pete Wilson.

HOLTON, KANS., July 7, 1953.
Senator ANDREW SCHOEPEL,
Senate Office Building:

May L. Bair Post, American Legion, in behalf all veterans, Jackson County, Kans., requests that you support in full Senate Appropriations Committee retention of funds for the three VA hospital projects, including new Winter VA hospital, Topeka, which were deleted by Senate subcommittee from VA money bill previously passed by House.

HENRY SCHEIDEGGER,
County Treasurer.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
DEPARTMENT OF KANSAS,
July 1, 1953.

The Honorable ANDREW F. SCHOEPEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I appreciate your kind remarks in your letter of June 16, and you may be sure that as department commander of the Veterans of Foreign Wars of Kansas, I will be calling upon you from time to time during the year. We as an organization composed entirely of overseas veterans are primarily interested in the care and rehabilitation of our disabled comrades.

I am indeed pleased to see that you are interested and recommending the building of a new VA hospital in Topeka, and hope that you will continue your support of this program. I know you realize the need for a new hospital.

With kind regards, I am
Very truly yours,

RICHARD L. TROMBLA,
Commander, VFW,
Department of Kansas.

KANSAS DEPARTMENT,
THE AMERICAN LEGION,
July 2, 1953.

Senator ANDREW F. SCHOEPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR: I noted in this morning's paper that the Senate committee conducting hearings on the veterans' appropriation bill had stricken the \$20 million for construction of a permanent hospital at Topeka. The land necessary for this project was acquired many years ago and the buildings that are now in use are temporary wooden barracks type buildings which are wholly unsuitable, inadequate, and dangerous. There certainly should be no question concerning the need for a permanent NP hospital at Topeka serving the veterans of this area. I can person-

ally attest to the fact that present facilities are inadequate to take care of all veterans requiring this type care. We have made frequent surveys and there has always been a long waiting list for admittance to the Winter General Hospital.

This construction has been long delayed now and further delay will only aggravate the situation that exists. It is hoped that the appropriation of Winter General Hospital can be restored in this measure and that you will lend your support to the restoration of this appropriation.

With kindest regards, I remain,

Yours very truly,

PAUL L. AYLWARD,
Department Commander.

AMERICAN LEGION AUXILIARY,
WINFIELD UNIT, No. 10,
Winfield, Kans., July 4, 1953.

Senator ANDREW SCHOEPEL,
Washington, D. C.

DEAR SENATOR SCHOEPEL: As president of the Legion Auxilliary, Winfield Unit, No. 10, Winfield, Kans., I am asking that you do everything that you can to keep the \$48,867,000, which will provide for the three VA hospital projects, from being cut from the VA money bill which will be coming up next week.

We surely do need to rebuild Winter Veterans' Administration at Topeka, and I trust that you will use your influence to obtain this for our legionnaires.

Sincerely yours,

ALICE PETERSON.

ALLEN, KANS., July 6, 1953.

Senator ANDREW SCHOEPEL,

DEAR SIR: I am writing to you in behalf of the American Legion auxilliary. For you to do all you can in providing money to build the new VA hospital.

Because I know what it is like to ask to get in the hospital, and have to wait your time. My brother waited for 3 weeks before he could get in the hospital.

Yours truly,

Miss MARY FRIK,
President of Unit 389.

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

Mr. SALTONSTALL. I yield.

Mr. COOPER. I wish to invite the Senator's attention to some of the simple, plain questions which have been addressed to me by veterans' organizations and by individual veterans.

In the past few weeks I have found that veterans are concerned that in some way this administration and this Congress may limit the services which are available to them. I believe that in some instances their concern has been inspired politically. So I should like to ask these direct questions:

First, with respect to hospitals, I ask the Senator from Massachusetts if it is true that no existing hospital will be closed as a result of this appropriation bill?

Mr. SALTONSTALL. We are opening 2,300 new beds in existing hospitals, and 7,600 new beds, presumably, are coming in during the year, in new hospitals. Certain hospitals will be closed, where new hospitals take their place.

Mr. COOPER. But there will be no reduction of beds?

Mr. SALTONSTALL. No; there will be an increase of 7,600 beds.

Mr. COOPER. And there will be no stoppage of construction of hospitals where construction is now underway?

Mr. SALTONSTALL. There is available, as of July 1 of this year, \$60 million in the Veterans' Administration for paying for the new hospitals, and \$20 million more for betterments.

Mr. COOPER. Another subject on which I have received many letters is the availability of hospital services to veterans. Many veterans are afraid that if they do not have service-connected disabilities they will not be admitted to the use of the hospital facilities.

Mr. SALTONSTALL. Admiral Boone told the committee that every service-connected disability was immediately hospitalized, with very few exceptions, and that there was no waiting for more than 7 days in the case of any service-connected disability.

Mr. COOPER. Are hospital facilities still available for those with non-service-connected disabilities or illnesses?

Mr. SALTONSTALL. The waiting list of 24,000 cases consists entirely of non-service-connected disabilities.

Mr. COOPER. They have not been shut off?

Mr. SALTONSTALL. They have not been shut off.

Mr. COOPER. Does the change in the provisions respecting dental care deprive in any way any veteran who now has a right to dental care under the law, of the opportunity for dental treatment?

Mr. SALTONSTALL. The answer to that question is that he will not be shut off. If he applies within a year after the enactment of this act and shows in his application that his dental needs resulted from service, he will not be shut off.

Mr. COOPER. I have received other letters from veterans, whose pensions have been reduced, and who say that it has been suggested that their pensions be reduced because in some way funds are not now available, because of the action of this new Congress.

Mr. SALTONSTALL. I can assure the Senator that that is not the fact. The committee went into that question very carefully and gave every assurance to the Veterans' Administration, as the Senator from Massachusetts told the Senator from Illinois [Mr. DOUGLAS], that every pension and every benefit required by law would be paid. The Veterans' Administration says it has sufficient money for at least 10 months, and perhaps for a longer time. However, it is estimated that it has sufficient for 10 months. Congress will be in session next January. The supplementary appropriation bill this year included \$235 million, and presumably the amount next year will be approximately the same.

Mr. COOPER. One item in the bill refers to readjustment benefits.

Mr. SALTONSTALL. That is one item.

Mr. COOPER. There are certain provisions and conditions in connection with the item. Do those provisos in any way deprive veterans of any benefits now available to them? I am referring to the provisos on pages 15 and 16.

Mr. SALTONSTALL. On page 15 the House made a change in the present law. Under the present law, in connection with a loan to a veteran for building a

new house, he can get up to 4 percent, or not to exceed \$160, paid in to the bank, and he may use that money for any purpose in connection with the house. He may use it to cut down the loan, pay the first year's interest, or in some other way.

That provision has been eliminated. However, no commitments prior to the taking effect of this act will be affected. No commitments made prior to September 1 or the date of the taking effect of this act will be affected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 17, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 17, line 12, to strike out "\$48,867,000" and insert "\$2,500,000."

The amendment was agreed to.

The next amendment was, on page 17, line 13, to strike out:

Provided, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 percent of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 percent of the cost of such projects may be expended for such services.

The amendment was agreed to.

The next amendment was, on page 20, line 17, after the word "appropriations", to insert "but not to exceed 10 percent of the appropriation so augmented."

The amendment was agreed to.

The next amendment was, under the heading "General Provisions," on page 22, line 22, after the word "by", to strike out "members of local draft boards" and insert "uncompensated officials of local boards and appeal boards."

The amendment was agreed to.

The next amendment was, on page 24, after line 12, to strike out:

Sec. 105. (a) No part of the money appropriated by this act to any department, agency, or corporation or available for expenditure by any department, agency or corporation which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954 contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

The amendment was agreed to.

The next amendment was, on page 25, line 11, to change the section number from "106" to "105."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. SALTONSTALL. Mr. President, an amendment has been suggested by the Senator from Tennessee [Mr. KEFAUVER], on page 3, after line 20, to insert the following proviso:

Provided further, That no part of this appropriation shall be used, pending sale of housing owned by the Atomic Energy Commission or other disposition, to raise the rents or other charges of present occupants above the levels in effect June 1, 1953.

The Senator from Massachusetts is perfectly agreeable to taking this amendment to conference.

The PRESIDING OFFICER. The Chair understands that the Senator from Massachusetts offers the amendment for the Senator from Tennessee [Mr. KEFAUVER].

Mr. SALTONSTALL. I offer the amendment for the Senator from Tennessee, and am glad to take it to conference.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate—and I call this matter to the attention of the acting minority leader—and inasmuch as a number of Members have asked me about the legislative program for the remainder of today and for tomorrow—for we shall have a Saturday session—and also for the first part of next week, I should like to make a brief statement at this time. I have tried to keep the entire Senate informed as fully as possible and as far in advance as possible.

We shall continue consideration of the second independent offices appropriation bill today until we dispose of it; if necessary, we shall have a night session. Of course I have no idea how much debate there will be on the bill.

If it is possible to dispose of the second independent offices appropriation bill in sufficient time today, it will then be my purpose to move to have the Senate proceed to the consideration of Senate bill 1569, Calendar 443, relating to investigation by the Civil Service Commission of persons receiving Atomic Energy Commission fellowships. That bill will be followed by House bill 5302, Calendar 502, providing for an additional Assistant Postmaster General; and then in the order stated, Senate Resolution 127, Calendar 508, authorizing the Committee on Agriculture and Forestry to make an investigation of the importa-

tion of wheat unfit for human consumption; and Senate bill 122, Calendar 465, relating to the conveyance of certain property to the city of Rupert, Idaho; and House bill 4072, Calendar 472, relating to the disposition of certain recreational demonstration project lands in Virginia.

Following that, on tomorrow we shall have from the Committee on Agriculture and Forestry the wheat-agreement bill, which has a deadline. The chairman of the committee stated the other day, on the floor of the Senate, that the report on the bill would not be ready until today, because I think during the day the Department of Agriculture makes its estimates for the crops for the year, and the committee was waiting until that information was available, and then was to hold a meeting this afternoon.

Mr. President, I now ask unanimous consent that the committee be permitted to file its report up to midnight tonight.

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

Mr. KNOWLAND. Mr. President, on Saturday we shall have the wheat-allotment bill. As I have said, I have no idea how much debate there will be on the bill. I would not expect the Senate to remain in a prolonged session tomorrow; we can see what progress we make today. We might meet at 10 o'clock or 11 o'clock tomorrow morning, in order to finish, so that the Members could leave at a reasonable hour tomorrow afternoon.

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

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

Mr. GORE. Would it be the purpose of the distinguished acting majority leader to finish the wheat-allotment bill tomorrow?

Mr. KNOWLAND. I would hope we could finish the wheat-allotment bill tomorrow. I know of no great controversy about it, although one might develop. We shall have to see how the situation develops. I have been informed that probably it will not take more than a day to dispose of that bill.

Mr. GORE. Mr. President, will the Senator from California yield further to me?

Mr. KNOWLAND. I yield.

Mr. GORE. Would it be the purpose of the acting majority leader to have the session tomorrow continue beyond 6 p. m.?

Mr. KNOWLAND. I hope we shall be able to finish before 6 p. m. In order to do so, I thought we might begin the session tomorrow at 10 o'clock in the morning. At this time I know of nothing to keep the Senate in session beyond 6 p. m. tomorrow; but I would not wish to make a fixed commitment that the session tomorrow will end at 6 p. m., because if we needed only 15 minutes or half an hour more in order to complete action on the bill, I should like to have the Senate to be in a position to do so. I think that would be the better procedure. But certainly I would have no intention of holding a long night session, as we did last night.

On Monday, pursuant to the discussions that took place on the floor of the

Senate yesterday, when, at the request of a number of Senators, we laid aside the consideration of the agreement with the Federal Republic of Germany on German external debts, which is on the Executive Calendar, it is planned to take up again the consideration of the Executive Calendar, and to resume the consideration of the agreement to which I have just referred, and also to take up the international wheat agreement, as distinguished from the wheat-allotment bill.

I call the attention of the minority leader to the fact that, as I understand, Senate Joint Resolution 97, which is No. 509 on the Legislative Calendar, as distinguished from the Executive Calendar, deals with the same subject, and should be taken up at approximately the same time; though when taken up it would be in legislative session, whereas the wheat agreement would be taken up in executive session.

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

Mr. KNOWLAND. I yield to the Senator from Kansas.

Mr. CARLSON. I wonder whether I understood the acting majority leader correctly. Did he state that the Senate would tomorrow take up the bill dealing with the wheat-acreage allotments?

Mr. KNOWLAND. That is correct.

Mr. CARLSON. I believe the distinguished acting majority leader stated that on Monday the Senate would take up the wheat-allotment bill. Is that correct?

Mr. KNOWLAND. No. I referred to the international wheat agreement. Then, though depending somewhat upon the progress made in the meantime by the Appropriations Committee, on Tuesday I should like to take up the other items on the Executive Calendar, dealing with the NATO status-of-forces agreements. By that time I shall be prepared to make a further announcement regarding the program for the remainder of the week. But I wanted to give as much advance notice to Senators as possible.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

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

Mr. COOPER. Mr. President, on behalf of myself, my colleagues, the senior Senator from Kentucky [Mr. CLEMENTS], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Tennessee [Mr. GORE], the senior Senator from Mississippi [Mr. EASTLAND], and the junior Senator from Mississippi [Mr. STENNIS], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert the following:

Resource-development programs: \$1,750,000 for resource-development programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

Mr. HILL. Mr. President, would the Senator from Kentucky like to have a quorum call before he begins his speech?

Mr. COOPER. It is agreeable to me if the Senator desires to suggest the absence of a quorum.

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

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

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

Alken	Gore	McCarthy
Anderson	Green	McClellan
Barrett	Griswold	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bricker	Hennings	Mundt
Bridges	Hickenlooper	Murray
Bush	Hill	Neely
Butler, Md.	Hoey	Pastore
Butler, Nebr.	Holland	Payne
Byrd	Humphrey	Potter
Capehart	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnson, S. C.	Smith, Maine
Daniel	Kefauver	Smith, N. J.
Dirksen	Kennedy	Sparkman
Douglas	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
Frear	Mansfield	Wiley
George	Martin	Williams
Gillette	Maybank	Young
Goldwater	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from Texas [Mr. DANIEL and Mr. JOHNSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], and the Senator from Florida [Mr. SMATHERS] are absent by leave of the Senate.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. COOPER. Mr. President, the purpose of the amendment which I have offered is to add to the appropriation for the Tennessee Valley Authority the sum of \$1,750,000, to maintain the resource-development program now carried on by the Authority within the area of its jurisdiction.

On page 9 of the pending bill, in line 21, it will be noted that a total sum of \$188,371,000 is appropriated for all of the purposes of the Tennessee Valley Authority. The amendment which I offer would add the sum of \$1,750,000 for the specific purpose of maintaining the resource-development program. The original estimate for this program, presented

to the Congress by the outgoing administration, was \$2,377,000. Some months later, and after a careful study of the justification presented by the TVA, and of the estimates which had been developed by the Bureau of the Budget and President Truman before the end of his administration, the new administration and President Eisenhower presented to the Congress a revised estimate for the Tennessee Valley Authority. In the revised estimate the item of resource development was included—an appropriation in the amount of \$2,209,000 for the program, a reduction of but \$168,000 from the original budget estimate. The House of Representatives eliminated the entire sum. The Senate Appropriations Committee has followed the action of the House and has likewise eliminated the entire appropriation for this program. It has failed to make any additional appropriations for the program. The sum of \$1,750,000 provided in the amendment which I have offered, for myself, for my colleague, Senator CLEMENTS, of Kentucky, for the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], for the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], and for the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], represents a reduction of \$459,000 from the request of President Eisenhower.

It may be asked, upon what basis, upon what facts do the sponsors propose a reduction in the amount of \$2,209,000 which had been fixed in the estimates of the new administration?

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

Mr. COOPER. I yield.

Mr. SALTONSTALL. I call the Senator's attention to page 4 of the committee report, under the subhead "Tennessee Valley Authority." The Senator will note that the committee agreed with the disallowance by the House of \$2,209,000, but included, as did the House, \$230,000 for administrative and general expenses of the program. This was to provide for the gradual elimination of the program. But the Senate committee, in addition to what was done by the House committee, stated that TVA might spend \$654,000 out of its funds otherwise available for resource development work, on the forests, because it was believed that that was important. So while we cut back \$2,209,000, we stated that out of all TVA resources, including the \$188 million appropriation, it could spend \$654,000 for forest resource work.

Mr. COOPER. I am familiar with those provisions. I believe, however, that the committee may be in error in stating that \$230,000 is to be used for administrative and general expenses of the resources program. My information is that the sum of \$230,000 is to be used for administrative and general expenses in connection with a number of programs, including the resource-development program.

Mr. SALTONSTALL. I think he is incorrect in his statement. The \$230,000 is specifically allocated to the resource-development program.

Mr. COOPER. I am very glad to know that. But I may say to the Sen-

ator I am familiar with the direction of the committee that \$654,000 may be used by the Authority for its forest program; but I think it would depend entirely upon whether funds were available. I intend to direct my remarks to that point in just a few moments.

I was saying awhile ago, it may be asked why the sponsors of the amendment decided to reduce their request to the sum of \$1,750,000 rather than the sum which had been suggested in the estimate of the new administration. I may say frankly, we have had several discussions about this matter. We agreed that, taking into account the necessary drive for economy and also the temper of the Congress, which has been demonstrated by both of the committees, we considered that this sum would be a reasonable amount to allow the Tennessee Valley Authority for the purpose of carrying out its resource-development program this year. We did not reach the figure of \$1,750,000 merely by deciding upon a flat sum, but we went carefully through the items which had been presented in the justification of the TVA, and thus arrived at the figure.

I should like to say that while we are interested in the approval of the sum by the Senate, our chief interest is in the maintenance of the resource development program as an integral part of the Tennessee Valley Authority. If the amendment I offer is not adopted and if no appropriation is made by the Congress, the effect will be to eliminate and to abolish the resource development program of the Tennessee Valley Authority.

This conclusion is borne out by the report of the committee, and I now read from page 4 of that report:

The committee directs the Authority by the end of fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program, so that no further appropriations may be required to the Authority for that purpose.

The only conclusion that can be drawn from the statement I have read is that it is expected by the Appropriations Committee, and it will be the determination of the Congress, if we fail to make the appropriation, to abolish and eliminate the resource development program as a part of the TVA work.

I doubt very much that this body and the Congress, upon a careful consideration of what is being proposed, will want to do that. I believe that if it is carefully considered, Congress will maintain, as it has maintained for the past 20 years, this program as an integral and basic part of the programs of the TVA.

Mr. President, what is the resource development program of the TVA? A casual reading of the items designated in the justification presented to the Senate Committee on Appropriations by Mr. Gordon Clapp, Chairman of the Board of TVA, gives an indication of its nature. We see the items "Agricultural resource development," "Forest resource development," "Tributary watershed development," "Mineral resource and reservoir development."

I want to develop my basic theme that this program is an integral part of the

Tennessee Valley Authority program as contemplated by the original act, and that if the Congress eliminates it, it will eliminate and deny one of the original purposes of the act.

I should like to quote from the original TVA Act, Public Law No. 17, 73d Congress, approved in 1933. I believe the distinguished Senator from Alabama [Mr. HILL] was one of the authors of the act.

In the first section, indicating the purposes of the act, we find this language:

Be it enacted, etc., That, for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development—

I repeat, "for agricultural and industrial development"—

and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the "Tennessee Valley Authority."

In the very first section of the original act there was established, as one of the purposes of the act, agricultural and industrial development.

I read from section 22 of the act to recall the purposes which motivated those who drew the act and of which Congress must have had knowledge when it passed the act.

SEC. 22. To aid further the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and of such adjoining territory as may be related to or materially affected by the development consequent to this act, and to provide for the general welfare of the citizens of said areas, the President is hereby authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

In section 23 we see elaborated the general purpose of industrial and agricultural development:

SEC. 23. The President shall, from time to time, as the work provided for in the preceding section progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes (1) the maximum amount of flood control; (2) the maximum development of said Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method

of reforestation of all lands in said drainage basin suitable for reforestation; and (6) the economic and social well-being of the people living in said river basin.

Mr. President, I have quoted the first section and sections 22 and 23 of the act, to recall to this body that in the initiation of the TVA program there was included as one of its major objectives the program of agricultural and industrial development. I point out that a careful reading of those sections will show that it was anticipated that it would be a program which would be decentralized, and one which would be carried out in cooperation with local governmental bodies and with private agencies.

There was another objective which was envisaged and which has been carried into operation, namely, that the program should be designed to benefit the Nation as well as the Tennessee Valley area. We have heard the charge that it is a program which is solely for the benefit of the valley area.

But those who wrote the act, those who supported it, saw—and it is specifically stated in the two sections I have read—that it would provide opportunities for study, experience, and demonstration that would be valuable to the several States. That has actually happened.

The program we are talking about, which is small in terms of total appropriations, has been one valuable to the area directly affected, to the drainage area of the Tennessee River, but also to the entire country. If it is eliminated this year—and if so, it will be finally eliminated—it will reflect the judgment of Congress that the program has no value to the Nation as a whole. There is no question that it has value to the particular area involved, so the real decision Congress would make would be that it has no value to the Nation as a whole. That is a decision I hope Congress will not make.

Although I cannot make the statement as an absolute fact, I am informed that since the act was passed, with the exception perhaps of 1 or 2 years, Congress has never failed to make an appropriation for this program. I believe that at one time there was an appropriation of \$7 million. The appropriation has usually varied from approximately \$2 million and at times something less than that, to \$7 million.

I wish to point out to Senators on this side of the Chamber that under the Republican Congress of 1947 and 1948, the appropriation for the program in one of those years was much larger than the amount named by the amendment I offer for myself and my colleagues.

I know the Tennessee Valley Authority has been a subject of controversy. It is only natural that a program unique in its philosophy, development, and operations should be the subject of controversy. During the 20 years since its establishment, it has been brought each year under close scrutiny by committees of Congress, including the Senate and House Committee on Public Works and the Senate and House Committee on Appropriations, and by various investigating committees, and also in debate in

almost every session, with questions being raised about its validity, the value of its operations, and its success.

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

Mr. COOPER. I yield.

Mr. GORE. I wish to substantiate the statement made a moment ago by the able and distinguished junior Senator from Kentucky. No Congress yet has failed to appropriate funds for the resource development program. During the 80th Congress it was my privilege to serve on the House Committee on Appropriations as a member of the particular subcommittee handling this item. No suggestion that I know of, was made in the 80th Congress, to eliminate the program completely. It has been a constant part of the TVA. Indeed, as the Senator has so ably said, it is an integral part of it.

Mr. COOPER. I thank the Senator from Tennessee. I was just saying that while the program has been controversial, it has been under scrutiny for 20 years. I shall not take the time of the Senate to detail all the subjects of controversy.

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

Mr. COOPER. I yield.

Mr. HILL. It is true that as such activities as the building of more dams, for instance, naturally have increased, TVA in and of itself has progressively reduced its requests for such programs, and has more and more stimulated the cost being carried by States, counties, colleges, and universities. Is not that correct?

Mr. COOPER. That is true. I shall submit some figures on that subject presently.

Among the controversial issues that have arisen in connection with TVA was of firming hydroelectric power by the construction of steam plants. Another is the provision which enables TVA to reinvest a part of its receipts. Another is the resource development program.

The point I make is that after 20 years of debate, investigation, examination, and scrutiny, there never has been a Congress that has rejected or denied any of these features of TVA. In fact, in 1938 or 1939 Congress authorized the Tennessee Valley Authority to purchase utility plants in the area. I do not plan to discuss that; I am simply using it as an example.

In the 80th Congress, in 1947 and 1948, not a single unique aspect or principle of the Tennessee Valley Authority was rejected. It was supported by appropriations. In fact, there was initiated in that Congress the idea of steam plant construction, which has become such an essential part of the program. In 1948 the Senate passed a bill authorizing steam plant construction, but the bill did not pass the House.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. Before the Senator from Kentucky gets away from the resource item, I hope he will indulge me for a moment, before I leave the Chamber to attend a meeting of the Committee on Appropriations, to allow me to re-

fer to an editorial published in the Knoxville Journal of June 29. In its first part the editorial rather confesses a lack of hope that the steam plant and other items will be restored. Then it says:

We continue to hope that at a minimum there will be restoration of some \$600,000 asked by TVA for maintenance of its Forestry Division.

I think the editorial is very significant, because it has this further comment to make:

If the Tennessee Valley is lucky enough to get even this restoration this year, then the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely.

This is the significant part:

For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

When the editorial speaks about the other items, it is, of course, speaking of field surveys, tributary stream surveys, map service, and so on. But one item that was picked out was the item of the Forestry Division. With respect to that, the editorial says:

There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the authority has inaugurated in this field.

The subcommittee went into the field of forestry development, and in its action the full committee concurred. There is \$654,000 in the bill for forestry development. That is the item alluded to in the editorial. The editorial says that is the one item which the States are not adequately equipped and tooled to carry on for a little while. But with respect to all other items, the editorial says there are substitutes that can function at a moment's notice.

That editorial was published in the largest newspaper within the Tennessee Valley Authority area, the Knoxville Journal. Certainly this newspaper has been adequately informed, over the years, as to what the TVA operation is like and what it needs. I believe it is exceedingly persuasive in connection with the action that was taken by the subcommittee, in which the full committee concurred.

Mr. COOPER. First, I must say that I can not agree—although the Senator is a member of the Appropriations Committee—that the action taken directing that money may be used for the forest program, is the same as an appropriation, because it depends upon availability of money.

The second point I make is in connection with the direction in the Committee Report that the program be taken over by other agencies. This direction can not be interpreted as anything else than direction to kill the program.

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

Mr. COOPER. I yield.

Mr. KEFAUVER. The distinguished Senator from Illinois has read from an editorial in the Knoxville Journal, which supports the Forest Service program, but suggests that the States or some other agencies might take over the other services. I do not want to get into an argument about which newspapers support the Tennessee Valley Authority, or to what extent they do so. However, is not the Senator aware that almost every newspaper in the Tennessee Valley, with the exception of the Knoxville Journal, has very substantially and heartily supported the whole resource development program of the Tennessee Valley, and that the Knoxville Journal is the only newspaper which singled out the forestry part of the program to support?

Mr. COOPER. Frankly, I do not know the position of the newspapers in Tennessee. I do not live in Tennessee.

Mr. KEFAUVER. If the Senator will take my word for it, that is the situation. I think no program has had fuller support of the people, the press, and of everyone who has any connection with the TVA, than the resource development program.

Mr. COOPER. It would be natural for various sections of the area to emphasize the programs which they felt were most important to them. It may be that forestry is most important in that particular area. I do not live far from Knoxville. However, I do not believe the discussion reaches the issue about which I am speaking. I hope to develop in a few minutes the unique significance of this program and the way it differs from the usual Federal agency activity.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. I ask unanimous consent, in connection with the interposition into the Senator's remarks, that the entire editorial to which I alluded a moment ago be printed in the RECORD at this point as a part of my remarks.

Mr. COOPER. I ask that it be printed at the conclusion of my remarks.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. Without objection, the editorial may be printed as requested.

(See exhibit 1.)

Mr. COOPER. A few minutes ago I was saying that for 20 years this program has been confirmed by the Congress, and that it was confirmed in the 80th Congress. I should like to point out that the new administration has also confirmed in its budget estimate the programs of the Tennessee Valley Authority, including its resource development program, by placing in the budget recommendations for appropriations, and particularly for the resource development program. If the program is eliminated, it will be the responsibility of the Congress, rather than of the executive branch.

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

Mr. COOPER. I yield.

Mr. KEFAUVER. Is it not true that the Director of the Budget and the President approved for resource development a much larger sum, by about \$450,000 or \$500,000, than is included in the amendment of the Senator from Kentucky?

Mr. COOPER. Yes. As I stated at the beginning of my remarks, the amount which we propose is \$459,000 smaller than the amount proposed in the budget of President Eisenhower.

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

Mr. COOPER. I yield.

Mr. SALTONSTALL. I should like to invite the Senator's attention to certain facts. He is interested, as are the Senators from Tennessee and Alabama, in the resource development program. I am confident that there is no feeling on the part of the members of the committee, in reducing this item to \$654,000, that such development in Tennessee should be eliminated.

I call the Senator's attention to the fact that in the appropriations for the United States Department of Agriculture there is to be spent in the Tennessee Valley Authority area \$19,606,483 for the following purposes: Soil Conservation Service, flood prevention in upstream areas, agricultural conservation program, county committee conservation aids to farmers, Bureau of Plant Industry, Forest Service, and so forth. These activities would employ approximately 1,000 persons. In addition, for expenditure in the same TVA area, the Fish and Wildlife Service in the Department of the Interior has \$128,251 to be spent for the management of resources and the investigation of resources.

I call the Senator's attention to the fact that under the TVA program which the Senator has been discussing, and with respect to which he has offered an amendment, the item for agricultural resource development is \$250,000; for economic analysis of valley agriculture, \$47,000; and soil survey, \$53,000. The Department of Agriculture is spending \$14 million for soil conservation. It seems to me that is exactly the same subject. There are appropriations for agricultural engineering, and many other activities. The committee advocates the spending of \$654,000 for forest resource development. Other expenses are indicated.

The Senator from Alabama [Mr. HILL] stated that these amounts were being decreased and not increased. I call attention to the fact that these appropriations are on the increase, and that the administrative amount has been on the increase over the years 1952 and 1953. The appropriation recommended for this year in the Truman budget was \$2,377,000. That was reduced to \$2,209,000. The previous year it was \$2,260,000, or about \$100,000 less. In 1952, it was \$1,880,000 or approximately \$400,000 less. The amounts for administration have gone up from \$188,000 to \$210,000, and then to \$230,000.

All the committee had in mind was that the TVA is now a working program. It is a reality. It has been there for a great many years. These developments are now being done either by local agencies, State agencies, or other regular agencies of the Federal Government. There is no effort on the part of the committee to cut out the development of forestry or agriculture in the TVA area.

Mr. COOPER. Mr. President, I respond by saying that the argument which the Senator has made points up the difference between the viewpoint I am trying to present and the viewpoint which is indicated by the action of the Appropriation Committee. It is because there is a difference in the work of other agencies of the TVA that we are asking the maintenance of this program.

The Senator has stated that funds are available to the area from the Agriculture Department, the Department of the Interior, and other departments. Of course such funds are available. Such funds or a part of them have been available every year since the TVA was authorized. When the act was passed, most of the programs referred to were then in operation. One purpose of the act, was to demonstrate the orderly development of an area embracing several States in a great river valley through the cooperation of various agencies, Federal and State municipalities, and State governments, as well as private agencies.

This is an advantage to the entire Nation. The questions that have been asked by my good friend show that if the decision is carried out we would destroy one of the purposes of the original act.

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

Mr. COOPER. I yield.

Mr. HILL. The Senator from Alabama pointed out that the requests for funds had progressively come down and had been reduced. The distinguished Senator from Massachusetts quoted from page 58 showing the figures for 1952 and 1953. The figures have not varied too much in the past 2 years, but they have been progressively decreased from the time the Tennessee Valley Authority was started. There has been a continual reduction in the amount of funds. In that connection I should like to call the attention of the Senator from Kentucky to page 59, and I should like to read this statement:

The extent to which the region—

That is the Tennessee Valley area—has responded is evident in the fact the 7 valley States spent \$37,786,000 of their own funds for major programs in the resource field in 1950. Their comparative expenditures for 1934 totaled only \$5,595,000.

In other words, from 1934 to 1950 the States increased their funds something like sevenfold, whereas, if we go back to 1934 and examine all the figures we will find that there has been the progressive reduction in the requests and expenditures by the Tennessee Valley.

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

Mr. COOPER. I yield.

Mr. SALTONSTALL. I will say, in response to my good friend from Alabama, that the Department of Agriculture in the same year spent some \$19 million, and the Interior Department spent \$128,000.

Mr. HILL. Yes. I hope the Senator from Massachusetts will be on the floor when the time comes for me to make my statement. The Senator from Kentucky is making a very fine speech, and I shall seek in my own remarks to re-

inforce his forceful and excellent argument.

Mr. COOPER. I thank the Senator. I am certain that with his knowledge of the subject his speech will be very instructive.

As I said a moment ago the colloquy with my good friend, the distinguished Senator from Massachusetts, only serves to distinguish the two points of view and reinforces my opinion that if the amendment is refused by the Congress it will mean the destruction of one of the purposes of TVA.

We know that certain Federal programs are in effect, such as agricultural crop payments, the Soil Conservation Service, and the Extension Service. Some functions in the few counties in my State which TVA serves. These agencies operate in Tennessee, Alabama, and Mississippi and every State. Each State has its own problems. The significant point about the resource-development program is that it is designed to coordinate the activities of the various organizations—Federal, State, and private—with the purpose of providing the country research and experimental programs, as well as demonstration of a cooperative program for an area.

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

Mr. COOPER. I yield.

Mr. HILL. As the Senator from Kentucky has well said, this program has done very much more than any other Federal program whether by the Department of Agriculture, the Department of the Interior, or any other department, to stimulate, and to encourage the States, counties, colleges, universities, local communities, and private agencies to make much greater contributions to the program. Is that not correct?

Mr. COOPER. That is undoubtedly one of the purposes of the program.

Mr. HILL. It has shifted much of the responsibility from the Federal Government, as the Senator from Kentucky has stated, to the States, counties, and communities.

Mr. COOPER. And it has had its effect not only on the area but on the whole country. We know that the TVA has attracted the attention of peoples from other countries, perhaps more than any other project in the United States. It is in fact a demonstration plant for other nations. One of the obvious values of TVA is its use as a yardstick for power rates, another is its influence on rural electrification, to the direct economic benefit of millions of people throughout the country.

These values have been demonstrated. The resource development program, which we are discussing, likewise has had its influence in other States throughout the Nation. Its research projects, its demonstration projects, and the cooperative work of local governmental bodies and local agencies, elusive to describe, have been of benefit to the whole country.

Mr. President, you may ask me to explain in what way the programs of agricultural resource, forest resource, and the other resource development programs are of value to the Nation. In the

first place, the research and experimental studies in soils and forage crops, animal industry, in the whole field of forest conservation, and in the economic use of timber products, are an invaluable source of information for the National and for State Governments and for private associations throughout the country.

Federal and State programs in agriculture and in other fields are, of course, invaluable, and we support them, but they are more general in their nature and in their application. The TVA resource development program intensifies their work in a specific area. As an example, the Tennessee Valley is one of the major timber areas in the United States, and offers an unsurpassable opportunity for work in forestry resources of value to the Nation.

A third subject upon which I wish to touch briefly is the emphasis of the resource development project on decentralization and the assumption of responsibility by local governmental bodies and agencies. The TVA furnishes its technical services and its demonstration services to the universities of the area, to State and county governments, to farm organizations, and to farmers' groups, and urges them to assume responsibility for the advancement of the area.

I am informed that some 1,200 agencies, public and private, have begun work in this area since the commencement of TVA.

I am informed that at the time of the commencement of this program, approximately \$8 million was being spent by local agencies for resource development in the area; and that now, due in great part to the leadership of TVA, some \$44 million is being spent on resource development.

It is, of course, impossible to estimate the value of the technical services being furnished to the cooperative programs.

I return to my central question, and it is the question upon which we shall be successful or shall fail—namely, whether Congress wishes to continue one of the principal purposes of the original Tennessee Valley Act, one which has been confirmed every year since the enactment of the act, or whether this year Congress wishes to end it.

I have noted in the debates on the appropriation bills at this session, a tendency to use the authority and prestige of the White House to bolster an argument in behalf of a given appropriation item. If the item in question is included in the estimate, that fact is used as an argument for retention or restoration of the item. I do not base my case on that argument alone. I do say that the President of the United States considered the TVA program at some length. After his consideration, the revised estimates were presented to the Congress. The revised estimate included \$2,209,000 for resource development. He had said previously he favored the purposes of the Tennessee Valley Authority and would support it.

It has been charged that the President has not done so. I deny the statement. I said on the floor of the Senate several days ago and I repeat that the budget which he approved and sent to the Congress is the proof of his support. His

budget recommended generous appropriations, the continued construction of 9 steam plants, 2 new steam plants, and the retention of the resource development program. His action is the proof of his interest and support.

In 1947, when I began my service upon the Senate Committee on Public Works, I did not have any settled views regarding the value of the Tennessee Valley Authority. In that committee I was able to secure a great deal of information about the operation and purposes of the TVA. I do not agree with all its operations. I think there are natural limits to its physical operations, and that is in the Tennessee Valley watershed. If it is to be preserved, the TVA authorities and the people of the area must recognize that it has limits. Furthermore, I hope the TVA authorities will take the initiative in devising ways by which it can help finance—with the authority of Congress—its own expansion and power needs within the limits of the area. The people of the area should not be made wholly dependent on appropriations of the Congress. With these reservations I am convinced that the TVA program has been of great value to the Nation. I am concerned about the possibility that this Congress may eliminate a part of the program. I say frankly that I am concerned about the possibility that my party may eliminate part of the program. The President has not eliminated it. If it is eliminated, it will be done by the Congress and, I say, reluctantly, chiefly by my own party.

Mr. President, I am under no pressure of any kind from my State to support the TVA. Its operations are limited in Kentucky, but I think it is important that it be supported. This year Congress is engaged in a necessary and prior task which has been forced upon it by the excesses of the past; I refer to the task of placing the Nation's financial affairs in order.

Mr. LANGER. Mr. President, will the Senator from Kentucky yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. COOPER. I yield.

Mr. LANGER. I desire to commend the distinguished Senator from Kentucky for offering the amendment. I think it is one of the best that has been offered, and I believe the people of the United States are overwhelmingly in support of such an amendment.

Let me say further that the distinguished Senator from Kentucky has rendered outstanding service on the floor of the Senate, and is recognized as one of the most distinguished and able Members of this body.

Mr. COOPER. I thank my good friend, the Senator from North Dakota.

Mr. President, I was saying that Congress must face the difficult fiscal problems confronting it. We must take unpopular actions in reducing expenditures because of the waste of past years and the defense necessities of the present. Progress is being made as we approved a sounder financial base. I am hopeful that my party will recognize that there are social and economic re-

sponsibilities that the people expect us to act upon. I hope our action will not be long postponed.

Mr. President, I class this project as coming within that category.

I urge that the Congress shall not take the step proposed by the Senate Appropriations Committee but that the Senate and the Congress accept our amendment, which is a reduction of estimates of the present administration. Let us give the administration the chance in its first year to determine the reasonable programs that can be worked out for TVA in the future. The TVA has the responsibility of examining itself and presenting to the administration and the Congress every fact and every plan which can be helpful in the formulation of a program for the future which can sustain its value. It ought to develop ways to help finance its power expansion program.

I urge that my colleagues not take it upon themselves, without giving the administration a chance, this year, to work out its own program—to eliminate an integral and basic part of the program of the Tennessee Valley Authority.

EXHIBIT I

[From the Knoxville Journal of June 29, 1953]

EVEN IF TVA FORESTRY CUT RESTORED, STATES MUST GET READY IN THIS FIELD

While hope appears to have to have waned that Congress is likely to do anything about the \$60 million cut in TVA appropriations, including \$30 million for the Fulton steam plant, we continue to hope that at a minimum there will be restoration of the some \$600,000 asked by TVA for maintenance of its Forestry Division, the activities of which have been discussed here previously.

If the Tennessee Valley is lucky enough to get even this restoration this year, then the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely. In other words, State governments are going to have to assume the responsibility, and expense, for the kind of work in reforestation and firefighting to which TVA has contributed and for which it has provided leadership.

For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the Authority has inaugurated in this field. This State's forestry department has never amounted to much, for example, not because of anything wrong with the people or the activities of the few persons in the department, but because the legislature was never persuaded by any governor to provide enough money to really put on a program comparable to TVA's.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. HILL. Mr. President, I desire to commend and congratulate the distinguished Senator from Kentucky upon his very able and very excellent speech

in behalf of the amendment. I strongly urge the adoption of his amendment.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me, to permit me to suggest the absence of a quorum?

Mr. HILL. Yes, if I may have unanimous consent for that purpose.

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

Mr. KEFAUVER. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, with the approval of the distinguished Senator from Tennessee, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

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

Mr. HILL. Mr. President, when the quorum call was ordered, I had just expressed my commendation and congratulations to the distinguished Senator from Kentucky [Mr. COOPER] upon the very able and excellent speech he made in behalf of his amendment, which is now before the Senate. I rise in support of the amendment offered by him.

When the House voted to eliminate all the funds requested by TVA for the activities listed in its budget under "Resource development," it pronounced a death sentence on the most encouraging experiment this Nation has ever seen in this field. That sentence is now proposed to be approved by the Appropriations Committee of the Senate, with only partial commutation for a single activity suggested in the committee report. If it were to prevail, this action would strike a blow at the most effective use of the Federal dollar in this field, anywhere in the United States. If it were to prevail, this action would end the only Federal resource development program deliberately designed to shift responsibility to States and counties and communities, and to reduce progressively the burden on the Federal Treasury.

If this action stands it will be a triumph for the apostles of centralization, ultimately a victory for the "spenders," an affirmation of the principle that the Federal Government should "go it alone" in the field of resource development. So far as the Tennessee Valley is concerned, such an action would turn the clock back 20 years. Instead of a unified program under the leadership of a regional agency, dozens of competing Federal bureaus will be carrying out their independent programs and separate activities. If this action stands, it will not be long before this region, like other areas today, will be seeking complicated and expensive measures to coordinate the bureaus, to build a bridge, so to speak, from jurisdiction to jurisdiction. What is basically at issue here today is not the appropriation of about \$2 million to be spent for specified activities in a region including parts of 7 States. What is basically at issue here is the survival of

a great idea and a method. The idea of the unified approach to resource development is at stake; the methods of decentralization it has developed are in jeopardy.

No one has suggested that the activities undertaken by TVA have not achieved results. No one has accused the TVA of extravagance or maladministration. I have heard no one propose that the Federal Government is to abandon its concern for the development of the minerals and the forests, the land and the water—the natural resources upon which our national strength and the prosperity of our people must be based. The central idea behind the TVA is recommended for liquidation without a word of explanation. True, the House committee report suggests that the States might carry on the programs it recommended for elimination, or that TVA itself might continue to support them out of revenues. Now the facts are that TVA could not, under the law, support these programs from its income, and that States and counties, colleges, and communities are already participating in these activities in every case. The projects chosen to be terminated are joint projects. What is now proposed is that one partner should abruptly overnight retire from participation.

The House committee report adds that the Department of Agriculture and the Department of the Interior also carry on activities in the Tennessee Valley. The inference to be drawn is that the committee would expect these Federal agencies to take up the work abandoned by TVA, an expectation echoed by a phrase in the report of the Senate committee. Is this suggested in the name of economy? Are the people of the Tennessee Valley to have no voice in this decision? Is the whole idea of regional coordination to be summarily abandoned in the Tennessee Valley?

I confess that I am baffled by this proposal to strike at the heart of the TVA. We hear a great deal about the necessity for the coordination of various Federal activities in other regions of the Nation. In the Columbia Valley and in the Missouri Valley, for example, there has been a regionwide protest against the duplication, the historic rivalries of various bureaus and departments of the Federal Government, and their relations individually and as a group to the agencies of State and local governments working in allied fields.

Mr. LANGER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I shall be happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. Is it not true that the Missouri Valley program was almost wrecked at one time because of disagreement between the Army engineers and the State authorities?

Mr. HILL. The Senator is exactly correct. I was going to say, a little further on in my speech, that there was so much pulling and hauling, so much crossfire, so much working against each other, each trying to grab something the other was trying to grab, that the result was confusion, inaction, waste, extravagance, and the expenditure of money

from which no benefits were received. I wish Senators would consider the TVA program and understand what it is all about. It is a unified development by one agency, one team, not by many different bureaus, agencies, and departments, each trying to grab off advantages, pulling and hauling against one another, and spending Government funds without results, wasting Government funds.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. Certainly.

Mr. SALTONSTALL. The Senator says we should understand the situation. I have been to the Tennessee Valley, and I have a little understanding of the operations of TVA, though probably not half so much as has the Senator from Alabama. But, in view of the fact that the TVA is a going concern—it is not a baby; it is a big going concern—it is difficult for me to understand why resource development should be any different in the Tennessee Valley area from what it is in Vermont or Massachusetts or North Dakota, so far as concerns programs which are being conducted by the Department of Agriculture without conflict, and by the Interior Department without conflict, and with good results?

Mr. HILL. Mr. President, I am delighted the Senator from Massachusetts has asked me that question. He will recall that the Flood Control Act of 1936 provided for resource development in areas all over the country outside the Tennessee Valley. The Federal Government today is putting up 88 percent of all the money expended for that purpose. In striking contrast, instead of the Federal Government putting up 88 percent of the money in the Tennessee Valley, the Tennessee Valley Authority has so encouraged and so stimulated the program there as to cause the States, the counties, and the local communities, colleges, and other agencies to carry a greater part of the cost. That is the difference; it is one difference, certainly.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. Because of the excellent cooperation, the increased local interest, and the development of resources, of which I heartily approve, the Senator from Alabama would not have us withdraw from the Tennessee Valley, would he? The Senator would not have us withdraw the \$19,606,483 which the Department of Agriculture has been authorized to use, would he?

Mr. HILL. The Senator is now talking about the Department of Agriculture. I do not have a breakdown of the figures, but I know the Department of Agriculture is operating in States in that area just as it is operating in States elsewhere. But there is no duplication there. If the Senator will examine into the situation I dare say he will find that most of the \$19 million, if not all of it, is devoted to resource development. Under the unified leadership of TVA, in that region the States, counties, communities, and local interests are putting up far more money for resource development than is being put up in other areas of the United States for that purpose.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. HILL. I yield.

Mr. SALTONSTALL. The Department of Agriculture this year is putting up \$14,917,000 in the way of conservation aids to farmers.

Mr. HILL. That is true. The Government is engaged in a great conservation program. The distinguished Senator from Vermont [Mr. AIKEN] who is chairman of the Committee on Agriculture and Forestry, knows about that great program.

Mr. SALTONSTALL. That is what the Department of Agriculture is putting up to finance conservation aids to farmers. In the agriculture resource development under TVA, there is a soil conservation item of \$53,000. That is only one item.

Mr. HILL. There is no conflict between those items. I feel certain the distinguished Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, will confirm my statement that there is no conflict between those items. It does not follow that there is any conflict between them.

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

Mr. HILL. I am glad to yield to my distinguished friend.

Mr. AIKEN. I agree with the Senator. I do not think the money is duplicated.

Mr. HILL. Certainly not. The Senator from Vermont is chairman of the powerful Committee on Agriculture and Forestry, and is one of the great authorities on agriculture. No man in Congress or in the United States knows more about the activities of the Department of Agriculture or the subject of soil conservation than does the distinguished senior Senator from Vermont.

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

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

Mr. KEFAUVER. Did not a representative of the Fish and Wildlife Service testify before the House committee, in supporting the resource development fund, that there was no duplication in that activity, and that he highly supported the fish and wildlife resource work of the TVA?

Mr. HILL. The Senator from Tennessee is absolutely correct. The testimony was very direct and specific that there was no duplication whatsoever. On the contrary, instead of there being duplication, there was coordination and cooperation, which meant savings to the Treasury of the United States.

Mr. President, I was speaking about the situation in the Columbia Valley and the Missouri Valley. The Senator from Minnesota testified in fine fashion when he spoke about so many duplicating agencies, so many cross currents, so much pulling and hauling as between agencies.

Field offices have been set up by the dozen to bring these programs a little closer to the problems affected. Joint committees have been organized. Resolutions have been adopted. Confer-

ences and meetings abound. At great expense, devices have been developed which are advertised as instruments essential to coordinate the activities of the Department of Commerce, the Corps of Engineers, the Department of Agriculture, the Department of the Interior, the Bureau of Reclamation, and so on. These efforts go on interminably. I do not know how successful they are, but, so far as I know, they are approved as steps in the right direction.

Yet, while these cumbersome efforts continue in other regions, the committee proposes to eliminate the most effective coordinating agent that has ever been developed anywhere in this Nation. In the Tennessee Valley, as in no other area of the United States, Federal, State, and local agencies, and public and private organizations, are working together to promote a better system of resource use. TVA is the link that binds them all together.

Everyone knows the record of Federal activities in the resource development field prior to TVA, in the Tennessee Valley as elsewhere. One agency would be given the task of controlling the water in the river; another faced the problems of water on the land. One bureau was concerned with the fish in the waters; another with the commerce using the river as a highway. The fragmentation of Federal responsibilities in the resource development field has been the despair of citizen and legislator alike.

In the TVA act we tried to do something about the problems for one river valley. Here I speak out of personal experience, for I was a member of the committee which considered the legislation in the House, and a member of the conference which adjusted the differences between the Senate and the House. It was no accident that we created one agency to develop the river as a whole, to make all of its benefits available to the people. It was not caprice that led us to avoid the creation of interagency committees or advisory bodies to reconcile conflicting plans and points of view. It was a deliberate effort to make the agency see its job as a whole, and to fix responsibility on its management for the development of methods to achieve results.

When the TVA act was written, we did not stop with the idea of a unified development of the river, although that in itself was an innovation. The Tennessee is still the only waterway developed by one agency of Government, where dams are designed, built, and operated under a single management; where the same management is responsible for flood control, navigation, and power production, for the use of the reservoirs for recreation, and for the conservation of fish and wildlife. TVA was to be a regional resource development agency empowered to see the resources of this valley as a whole; to concern itself with the forests, the soil, and the minerals, as well as with the river. However, there was a difference, in the approach to the development of resources away from the river. Responsibility for the primary control of the river could not be divided. TVA had to undertake that job itself. But in all the

other aspects of the total program, the statute encouraged, and the TVA Board adopted, a program of working through existing State and local agencies to achieve the objective of a better utilization of the resources with which nature had endowed the area.

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

Mr. HILL. I will yield when I have finished one more sentence.

No other program has gone so far in enlisting the energies, the devotion, and the financial support of State and local governments, colleges, and communities, in working toward a common goal.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say that I am deeply grateful to the Senator from Alabama for his exposition of the development of the Tennessee Valley Authority and its activities.

I think it would help a little to bring into sharp focus what the Senator from Alabama is speaking about in terms of conflict and duplication in some areas of the Nation as compared with TVA to reflect for a moment upon what has happened under the so-called Pick-Sloan plan in the development of the Missouri River, the second largest river within our continental limits. This is not to say that the developments which have taken place are not desirable, because I support them, and the Congress has supported them. But I do say that the conflicts which exist, the waste of funds and energy, and the inevitable delays which come about from conflicts between the Federal agencies and the State and local governments in the Pick-Sloan Missouri Valley development only highlight the smooth sailing and the effective administration to be found in TVA.

Mr. HILL. And the economy.

Mr. HUMPHREY. And the economy. I believe the Hoover Commission made some comments on the Pick-Sloan operation in the Missouri River Basin, and pointed out what the Senator from Alabama is saying, namely, that resource development of a basin nature in an area in a common watershed is literally impossible under the kind of arrangement which exists in the Missouri River Basin development. However, in the TVA, as the Senator points out, we are not only utilizing the Federal Government but we are going down to the high school, the college, the local county agent, and the local soil conservation district. They are all brought into the general plan, as I understand.

Mr. HILL. And more and more of the responsibility and the burden is taken off the Federal Government and imposed on the State and local governments and other agencies to which the Senator has referred.

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

Mr. HILL. I yield.

Mr. HUMPHREY. Is it not fair to say that in the area which has been served by the TVA the units of government—State and local—along with the vast majority of private groups, have found this kind of administration to be economically efficient and to work to the

satisfaction of the needs of the community? Is not that the testimony of chambers of commerce, governors, and legislative bodies?

Mr. HILL. The Senator is absolutely correct. Such a program has stimulated the interest and enthusiasm of the people. They are eager to play their part, to carry their part of the burden, so to speak. We do not find that situation to exist anywhere else.

Mr. HUMPHREY. The Senator would be interested to know that in other parts of America, parts which I myself have had the privilege of visiting, where there have been floods, the question of relationships between Federal, State, and local governments is an ever present problem. It complicates no end the programs of flood control and proper resource development. I was in my own State 2 weeks ago. I ran into that very problem in connection with the Army engineers, the local county government, and the State government. There was an inability to work out in time, and economically, arrangements and solutions for the flood-control program they would like to have.

Mr. HILL. When such arrangements are not devised, what happens? A very natural thing happens. They come running to Washington for the Federal Government to do the whole job.

Mr. HUMPHREY. Rather than to assume their share of the responsibility.

Mr. HILL. That is true. A little later I shall give an illustration of what the Senator is describing. We have many local flood-control problems involving small creeks. If we do not work this program out in such a way that the local community, the county, and the local agencies can play their part and be encouraged, stimulated, and required to assume their share of the burden, of course, in the final analysis the burden will fall on the Federal Government.

Mr. HUMPHREY. The Senator might be interested to know that in the northern part of my State there are a series of dams and gates to hold back water in the reservoirs so as to maintain a 9-foot channel in the Mississippi River for navigation purposes. When the flood waters and the heavy rains come in the spring, the water is held back; and because it is held back as long as it is, the entire conservation program of the State Department of Conservation is upset. Some of the farm lands are flooded. There is no integration. The Army engineers have a program to maintain a 9-foot channel in the Mississippi River. In the meantime the State has a program to try to protect fish and wildlife. The Department of Agriculture has a program to try to protect the land. The various agencies do not get together.

Mr. HILL. There are a great many separate authorities with separate responsibilities.

Mr. HUMPHREY. That is correct.

Mr. HILL. Therefore, instead of an overall plan working for the best interests of everyone, there are the various agencies pulling and hauling and fighting each other, with all kinds of conflicts. Is not that true?

Mr. HUMPHREY. And they usually come to their Senator or Representative to try to have those conflicts resolved.

Mr. HILL. Yes.

Mr. HUMPHREY. I have not been home once this year without having representatives of one or the other of the groups I have mentioned come to me and say, "Can you do something about the Army engineers?"

Mr. HILL. There are many conflicts and cross purposes. Only the Federal Government can do the job.

Mr. HUMPHREY. That is correct.

Mr. HILL. What the TVA has done under its plan, and under the spirit of its law and the methods it has adopted, has been to work out these problems. The greatest possible responsibility has been placed on the local counties and communities, and the local agencies, so as to have them do the maximum part of the job, thereby effecting economies for the Federal Government.

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

Mr. HILL. I am glad to yield to the Senator from Minnesota. He is making a fine contribution.

Mr. HUMPHREY. I have just visited one of the rich agricultural areas of the State of Minnesota. The Chippewa River is ordinarily only a muddy creek. Both the Chippewa River and the Shakopee River are in flood. At a time when there was a drought in the Southwest, we were having very serious floods.

I met with hundreds of farm people. I asked them "To what do you attribute the recent floods?" They attributed them to extra precipitation, because the amount of precipitation had been no greater this year than in some other years in the past, but they pointed out, for example, that the Production and Marketing Administration, in its program of tilling and drainage, had done its job of reclaiming more land by tilling and draining, draining water into ditches which were not equipped from an engineering standpoint to absorb that much extra flow of water. The PMA was doing its job, and doing it well, but the Army engineers had not been notified. The drainage district had not been notified. So there were three or four separate jurisdictions of government, all supposedly doing their jobs well, but the trouble was that when they did their jobs well there was a flood.

Mr. HILL. There was no teamwork.

Mr. HUMPHREY. There was no teamwork at all. Had a program similar to TVA been at work in this area, instead of more than 150,000 acres of the finest land in our State being under flood waters, those waters would have been properly controlled, so that the drainage would have been normal, without flooding, and the land could have been protected. Conservation of fish, wildlife, and fowl would have been promoted, and we would have had a reasonable and sensible program.

What is the solution? I have on my desk telegrams from county governments saying, "Have the Federal Government take over. We cannot do the job." As a matter of fact, the job could be taken over by the Federal, State, and local governments working together, as

the Senator from Alabama is proposing. I vigorously support the program he defends, and for which he has worked so hard and with such great success.

I feel that the United States needs more TVA's. An attack against the TVA is an attack against success. For the life of me I have never been able to see why anyone should want to attack a phenomenal success in a democracy. If people want to spend their time attacking something, they ought to attack the duplication and waste which has gone on in far too many areas of our land, as the Senator has pointed out, where there is inefficiency and lack of coordination.

Mr. HILL. I thank the Senator from Minnesota for the testimony he has given with respect to conditions as he has seen them, among various duplicating and conflicting agencies. He has described the separation and division of responsibility. In the final analysis the burden all falls on the shoulders of the Federal Government.

We talk a great deal about decentralization. We all profess a great belief in decentralization. Surely we give it lip service. I, for one, strongly believe in it. Here is a program of decentralization, in contradistinction to a program operated by the Federal Government from Washington.

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

Mr. HILL. I yield.

Mr. MURRAY. I have been listening with deep interest to the remarks of the Senator from Alabama. I know he can very easily answer the question I should like to ask him.

In view of the fact that TVA has been such a phenomenal success and is recognized in the section of the country in which it operates as a most wonderful Federal agency and one which has accomplished much for the people of that area, why is it that there is continued opposition to TVA and continued effort to discredit it and prevent it from continuing in its operations?

Mr. HILL. The Senator knows. He has thoroughly studied the whole question of resource development and regional development, and he is as familiar with the subject as I am. He knows that there are many reasons for the opposition to which he refers. Of course, one reason is the yardstick TVA provides for the production and sale of electric power. That has brought persistent and bitter opposition to TVA. It is the yardstick which TVA applies which certain private companies do not like to have in existence and do not like to have applied to their operations.

Mr. MURRAY. I visited TVA last year. I attended many meetings of the chambers of commerce, of local businessmen, and of men who have become interested in manufacturing in that locality because of the access it affords to low-cost power. I found there was not a single criticism of TVA in the entire area. The only place where I have heard criticism of it is in my section of the country, where we are attempting to develop a program which will be along the lines of TVA. There we find chambers of commerce, Rotary Clubs, and organizations of that kind being addressed by

visiting orators who endeavor to convince us that it would be a bad thing for our section of the country to have a TVA system to develop our resources.

Mr. HILL. As the Senator so well knows, the people who know TVA, who live with it day after day, who see its works and its accomplishments and what it has done are enthusiastic in their support of TVA.

Mr. MURRAY. I did not hear a single criticism of it in the entire Tennessee Valley.

Mr. HILL. I am not surprised to hear it. I appreciate the Senator's making that statement. He knows that those who live with it, see it day by day, and see its work day by day are overwhelmingly enthusiastic in support of it.

Mr. HUMPHREY. Mr. President, will the Senator yield? I do not want to detain him too long.

Mr. HILL. I yield to my friend from Minnesota.

Mr. HUMPHREY. Mr. President, when I listened to the Senator from Montana interrogate the Senator from Alabama, it reminded me a bit of what I have seen with my own eyes and heard with my own ears in my own State. The opposition to TVA in my own State of Minnesota, I am sure, is much more vigorous than it is in the State of Montana. We are trying to talk in terms of some hydroelectric power from the Missouri River. The very forces in the State of Minnesota which fight against TVA have no such plan as the Senator from Alabama has outlined this afternoon; namely, to aid in flood-control work, in soil-conservation work, and in our resource development. They fight the TVA public power facilities, but completely and totally ignore the accomplishments which have been brought about in terms of administrative efficiency among State, Federal, and local governments in soil conservation, resource development, reclamation, and in a hundred and one other wonderful accomplishments.

Whether we like it or not, when we talk about TVA, we are talking not only about projects and programs, but about a symbol in American life; we are talking about whether or not the Government of the United States, working with the people of the United States, is to have the right to utilize properly God-given resources for the benefit of the whole Nation and all the people. I think that is what the struggle is about.

Mr. HILL. And whether or not in the development of our resources—a program which all of us fervently support—the local communities, the local agencies, and the counties and States will carry their share of the responsibility, and not place the whole burden on the Federal Government.

Mr. HUMPHREY. The Senator is absolutely correct. I wish again to say that were it not for the leadership we see demonstrated today that wonderful and successful program would never have been possible. It is up to us now to protect it. We must not only protect it, but, as the distinguished senior Senator from Tennessee [Mr. KEFAUVER] has stated, we must have it move ahead and have it be a success for years to come. No one can name one project

that did so much to help us in World War II. If we had listened to the private utilities there would never have been any airplanes built during World War II. If we had listened to the critics of TVA, Tennessee would have been ravaged by floods.

Mr. HILL. And we would not have had the atomic bomb.

Mr. HUMPHREY. I am sure that is true. Criticism is heaped upon this tremendous development for only one reason, and that is because of private greed. It is private greed that is at the bottom of the criticism, and the demand of some to ride herd on the American people. They will not be able to do so with my vote, I may say to the Senator from Alabama. Thank goodness we can follow his leadership.

Mr. HILL. Mr. President, let me thank the distinguished Senator from Minnesota for the very fine and able contribution he has made.

Mr. SPARKMAN. Mr. President, will my colleague yield?

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was interested in the comment made a few minutes ago to the effect that we might not have had the atomic bomb if it had not been for TVA. I cannot quite agree that we would not have had the airplanes; but, certainly, we would have been slowed down greatly and perhaps even crippled in the production of aluminum for airplanes, if it had not been for TVA.

Mr. HILL. Most of the aluminum from which were built the airplanes which carried destruction to Germany and to Japan, and won the great victory in World War II came out of the Tennessee Valley.

Mr. SPARKMAN. In the early stages every bit of it came out of the Tennessee Valley.

Mr. HILL. In the early stages every pound of it came from the Tennessee Valley; and even in the last stages of the war most of it came from the Tennessee Valley.

Mr. President, I well remember there was great opposition to the TVA Board's decision to work through the local agencies existing in 1933. The Tennessee Valley was a low income area then, its people enjoying only 40 percent of the national average. The valley's income is still below the national average, but the percentage stands now at 60 percent, and the valley has a sound basis for the progress its resources and its people can achieve. One of the penalties of a low-income area is that public services are bound to suffer. Technical skills cannot be employed. The State and local agencies dealing with forests and soil and minerals were few in 1933. They were understaffed, admittedly inadequate for the job they had to do in an area where forests had been denuded and land abused to support the growing population. So it was not unnatural for the experts to contend that TVA should do the job alone. It was argued that the job would be done faster if the Federal Government "went it alone."

There was a great deal of talk about eroded and wornout land when TVA began, marginal land we called it then,

and the preamble of the TVA Act includes "the proper use of marginal land" as one of the purposes of its enactment. Experts in the older departments and bureaus in Washington urged TVA to buy up all the "marginal" land, to make it a public domain, to keep it out of private ownership, safe from abuse. That is of course one way of accomplishing reforestation, of protecting the soil and conserving minerals from exploitation. Senators from Western States are more familiar than I am with the problems created by large Federal land holdings.

TVA pursued a different plan. Of course, it purchased land. It purchased land in large amounts—a total of over a million acres, for the reservoirs behind the dams. But TVA rejected the advice of those who would have had it buy the million and one-half acres that sorely needed reforestation, or the even greater acreage where farmland was worn out and eroded. It started instead, and from the beginning, to work with the State experiment stations. It made contracts with them and with the extension services already existing; and through the county-agent system, it began to work with private landowners to see what could be done to restore the soil's fertility, not by Government ownership or by regulation, but simply by bringing technical advice to the farm owner and forest owner, identifying the barriers to sound utilization, and joining all interested groups, both private and public, in a series of actions to eliminate those barriers one by one. New and experimental types of fertilizer were produced by TVA at Muscle Shoals; but they were distributed, not by TVA, but by the county agents, to farmers who agreed to enter into that great test-demonstration program which spread beyond the confines of the Tennessee Valley into 36 States. This was the pioneer effort on a regionwide basis to see the farm as a whole. It is a method generally approved and now widely used by other agricultural agencies. State agricultural agencies, colleges of engineering, foresters, experts in seed and soil and crops and cattle were united in a single team.

Mr. COOPER. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to my friend, the Senator from Kentucky.

Mr. COOPER. In the last 2 or 3 days I have received a letter from Dr. Martin, of the University of Kentucky. He wrote of his concern about this program, and stated that the advice of and the program which had been worked out in cooperation with the TVA had really been the basis of the agricultural-development program of the Board which now is serving Kentucky.

Mr. HILL. That is fine. I am not surprised, but I am delighted to hear it, and I deeply appreciate that contribution by the Senator from Kentucky. He has given us a perfect illustration, from his State of Kentucky, of what I am trying to present to the Senate this afternoon.

Mr. President, when the TVA came into operation, no army of Federal employees descended on the region. TVA contributed money in the beginning, and contributed technical advice; but the new employees were employees of the

counties, of the States, of associations of farmers. The new idea was that of having all the agencies work together to demonstrate what could be done by community effort.

This is the TVA idea, an idea which has mobilized more energy, illuminated more problems, and lifted more hearts than has any other program in resource development ever undertaken before. That is the idea and those are the methods we repudiate if we accept the action of the House and the recommendations of the Senate committee, and fail to adopt the amendment offered by the distinguished Senator from Kentucky. For 20 years TVA has been proceeding by this method, demonstrating to the world what can be done if all the people in all their institutions work together. If we now abruptly stop the activities selected for termination by the committee—and they will be stopped unless the amendment of the Senator from Kentucky is adopted—more than 50 contracts affecting a variety of research and demonstration projects will be affected. Every one of these contracts has two objectives: first, to remove some barrier to sound resource utilization, to the sound use of some resource that God Almighty in His infinite bounty has given to the people for their benefit, welfare, and progress; second, at the same time to assert and strengthen local responsibility and local financial support to deal with the continuing problems. These problems continue, Mr. President, just as the rain continues, just as Mother Nature never stands still. They may exist in one form today and in another form tomorrow, but we know they will continue, and will remain with us.

This program provides coordination of effort at the grassroots, right where the problem exists. This is a tested way to strengthen local institutions. This is the way to make certain that local problems will be solved locally. This program is the best insurance against insolvency the Federal Government could buy.

The committee clearly and curiously appears to limit its disapproval to the methods used by TVA. No responsible person could disapprove the objectives or the results. No committee of the Congress could take anything but pride in the accomplishments in the Tennessee Valley. The fields are green; the forests are revived; there is better opportunity for the people than there used to be. What the committee failed to understand is the importance of the method to the results. I believe the committee failed to understand that all these benefits had been achieved by the only Federal program, under which there is a deliberate effort to diminish the area of Federal control, to enlarge the scope of local responsibility, and to yield to the people concerned responsibility for the future of the resources upon whose utilization their lives are based.

Let me illustrate the TVA point of view from a paragraph in the budget justification submitted to the Appropriations Committees in support of an activity not directly affected by the cut proposed by the committee. Various Senators have raised the question of flood control, and

that is why I wish to speak now about an item with reference to flood control and some parts of the TVA budget justification.

Flood control was, of course, one of the major problems the statute directed the Board of TVA to solve. The first job was the task of controlling floods on the Tennessee itself, to protect the people and the land endangered every year, and to aid in the control of the greater flood danger on the lower Ohio and Mississippi. That primary job has been substantially completed by the construction of multipurpose structures. But local flood problems remain in the Tennessee Valley, just as they remain elsewhere. Every Member of the Senate knows what happens these days when a creek overflows its boundaries. Stricken citizens rush to Washington. Their pleas for aid come by letter, they come by telegram, and by personal solicitation. They pass their county seat, they ignore their State capital. They come to Washington. They come to Congress. And bills and resolutions are introduced to authorize surveys, to permit the Department of Agriculture to help or the Corps of Engineers, or some other Department of the Federal Government. The suffering is real. Clearly something should be done. Let me describe what TVA proposes to do about the problem. Out of the total appropriation requested for flood-control activities, it proposed to spend a small amount, \$25,000, in fiscal 1954 for "local flood control activities." \$25,000! It will be stricken out unless the Senate agrees to the amendment of the Senator from Kentucky. I call this a small amount of money, and it is a relatively small amount. As the distinguished Presiding Officer knows, most of these items are in terms of hundreds of millions of dollars, many times in terms of billions of dollars; so a little item of \$25,000 interested me. I read it carefully and I found that the money was requested, not to contribute to the cost of a levee, a drainage ditch, or any other type of engineering work in any particular community. The money will be spent working with one of the States in the valley to help that State assume responsibility—State responsibility—for continuing expenditures in the field of local flood control. Let me quote a portion of the budget document:

Program activities include collection and analysis of flood data; * * * and technical advice and assistance to State and local governments to encourage their assumption of responsibility for solution of local urban and rural flood-control problems.

TVA has a continuing interest in local flood problems since their solution is important to the development of the valley. In the Tennessee Valley, as in other parts of the Nation, little initiative has been taken by States and cities in assuming responsibility for local flood-control problems, partly because the Federal Flood Control Act of 1936 and subsequent legislation assumes for the Federal Government the major share of financial responsibility in such problems. There is much that communities, counties, and States could and should do for themselves in these local flood situations. In many cases the construction of protective works is within the financial capability of the communities involved. The assumption by the State and the local community of

joint responsibility for the construction of flood-protection works of a local nature would relieve the financial burden of the Federal Government, encourage construction of such works only when they are sound and economically justified, and increase the effectiveness of State and local zoning activities. Today in the valley none of these units of Government is organized to handle flood problems.

This is a statement of the TVA, on the subject of saving money to the Federal Government, on the subject of economy, on the subject of having the local communities bear the burden of local problems rather than have Federal agencies in Washington bear those burdens, and spend the money of the Federal Government in doing so. The statement continues:

The 1954 estimate includes \$25,000 to cover TVA's share of the initial expense of a cooperative project with one of the valley States. TVA would be prepared to help the State to secure and organize a staff and to provide technical advice and assistance to the State. The ultimate aim of the project is the creation of a State agency to plan local flood-control projects and to provide State leadership in developmental projects. The research and demonstration projects conducted under the tributary watershed program should prove valuable in helping local agencies to organize and plan effective programs.

Let me interrupt the quotation to point out that these tributary watershed projects have been eliminated by the Committee. One of the purposes of the amendment offered by the Senator from Kentucky is to restore these watershed projects, which are so necessary in the Valley. The TVA statement concludes:

This approach to local flood problems may be successful in encouraging a new pattern of Federal-State responsibility in a field where local matters have been made a direct concern of the Federal Government and the States have been excused from a responsibility more appropriately their own. (From pp. 29-30, Budget Program, TVA, fiscal year ending June 30, 1954.)

Mr. President, that is the story. That is what we are aiming for. That is what the Senator from Kentucky is endeavoring to bring about in offering his amendment. As I said a few moments ago, under the Flood Control Act of 1936 the Federal Government bears 88 percent of the cost. What we are now seeking to do is to transfer that cost to the States, the local agencies, and the local communities where the local problems exist. That is where it belongs.

I think Congress should applaud, and not discourage, a Federal agency which is trying in that courageous and practical fashion to turn back the tide of centralization. I said that this particular activity was not directly affected by the cut proposed, except as I commented as I read that TVA's small watershed program, eliminated by the committee, was intended to be an aid in the development of State responsibility for flood control.

All over the country we hear the cry that conservation activities must be pushed back to the small watershed. In some river valleys such a program is offered as a substitute for the flood-control-multipurpose dams provide. Competing theories, rival agencies come to

Congress with their requests for funds. I understand from press reports that billions of dollars will be requested by the various bureaus of the Department of Agriculture for such a nationwide program.

TVA has a small watershed program, too—a program recommended for extinction by the Committees on Appropriation. The TVA program is different. It is modest. It rests on research. It is underway. And when it proceeds from the basic research—in water runoff, in soil structure and moisture—to the stage of demonstration, then in TVA's small watershed program the responsibility is fixed on the people. From the beginning TVA makes clear that when the basic research which only skilled technicians can undertake is completed, and the demonstration is begun then the contribution of the Federal Government will progressively diminish.

I have in my hand the result of a reconnaissance survey made by TVA of one such watershed where work was proposed to begin in fiscal year 1954—a project which will be stopped unless the amendment of the distinguished Senator from Kentucky is adopted. I may say the Senator from Kentucky is joined in his amendment by his colleague, the distinguished senior Senator from Kentucky [Mr. CLEMENTS]; and, I am proud to say, by my colleague, the Senator from Alabama [Mr. SPARKMAN], and myself, along with the distinguished Senators from Tennessee and the distinguished Senator from Mississippi. We have all joined with the distinguished Senator from Kentucky in offering his amendment.

The brochure I have prepared to present to the people, to officials of the counties and the State involved, a kind of prospectus to indicate the nature of the undertaking.

Let me read a paragraph which is found on page 2 of the report:

Assistance and demonstration as part of a regional program can proceed only to a certain point. There are established limits to what a Federal agency may undertake for local districts. More important, there are limits to the effectiveness of aid extended in this manner. At some point, the States and the local agencies of development must take over the major responsibility. This is the best assurance that help does not become paternalistic, and demonstration lose its educational value.

Mr. President, the Senators from Kentucky, Mississippi, Tennessee, and Alabama, are urging the Senate to approve this approach to the small watershed problem. Let us hold back on a wholesale Federal approach and see what is accomplished in the Tennessee Valley by placing the responsibility on the local communities, the States, and the local agencies in connection with local problems. We know we are getting results in the Tennessee Valley.

In another watershed where the project has reached the demonstration stage, we know that the farmers in 3 years have doubled the total acreage devoted to permanent pasture, that silt in the stream has been reduced 26 percent in the summer months, and 33 percent in winter, that the farmers of one rural

community are organizing to clear a channel themselves to prevent the flooding of their lands next spring. We know that the university, the teachers in the local schools, the bankers, the farmers are working together with the technicians, solving problems which are primarily local, but which, when they are solved, will add to regional strength and to our national strength.

If this small watershed program is stopped, if this partnership between the technicians and the people is dissolved, we will deal a blow to the hope we had that this Central Government might find a way to promote soil conservation, to encourage better land use and wiser utilization of our basic resources without at the same time creating an intolerable drain on the Federal Treasury. We must not kill this pilot plant experiment in decentralization.

There may be cynics who would doubt that the fair words I have read from documents of TVA are reflected in its actual practice. There are those who do not believe that it is in the nature of any Federal agency to voluntarily and by design withdraw from responsibilities it once assumes, from activities it once initiates. To those doubters I would say we have a record to show.

Let them take a look at the record.

I can give some illustrations out of my personal knowledge. I know, for example, what TVA has done to make the recreation potential of its lakes and reservoirs an asset to the region. When the program of dam building which transferred the winding Tennessee into a series of beautiful lakes, and mountain lakes high on its tributaries were substantially completed, a new asset had been created for the region. TVA, of course, owned the land surrounding the lakes. Some of it had to be retained for purposes of flood control. All of it could have been held in public ownership forever. A TVA park system might have been developed. But TVA was committed to another practice, the practice of turning over projects to the people. A survey of all the reservoir land was undertaken with a view to identifying and releasing all the sites suitable for development as areas for recreation. In the beginning there were no State agencies prepared to take over the management of such developments, so on Norris Lake, the first reservoir to be completed, at Wilson and Pickwick, TVA developed and operated a few small parks for demonstration purposes, while its technicians worked to help the States prepare to take over. Today, on land transferred by TVA, there are over 50 State, county, and city park developments around the lakes.

They are not Federal parks. Have we ever heard of any other Government agency treating its land in that way when it could have established a great national park? They turned loose their jurisdiction, power, and authority. They did it voluntarily, of their own free will and accord.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. HUMPHREY. Is the Senator talking about some earthly matter, or something that occurred on some heavenly body?

Mr. HILL. To be frank with the Senator, it is not an ordinary earthly record of which I am speaking. It is very unusual; it is out of the ordinary; it is extraordinary. Not only do we have these State, county, and city park developments, but there are church camps, Boy Scout camps, YMCA camps, in all, a total of 30 group camps. The Federal Government is not operating the camps.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I should like, first, to finish this paragraph.

Seventeen hundred lake front summer residences valued at almost \$8 million have been built by private owners. More than 18,000 boats are used for recreation on the lakes. In all, the value of the recreation improvements on TVA lakes and lake shores is well over \$30 million, none of it provided by TVA, but all of it resulting from TVA's policy of withdrawing from control. Last year it was estimated that over \$4 million in private income was received as a result of the utilization of this new asset to the region's economy.

I now yield to my distinguished friend from Tennessee.

Mr. KEFAUVER. I wanted to make clear that the record shows that all the work in connection with the leasing of land for campsites, and for agricultural purposes, and all the selling of land for attractive cottages which the Senator has described is carried on as part of the resource-development program provided for by the amendment.

Mr. HILL. The Senator is correct.

Mr. KEFAUVER. Is it not true that very substantial amounts of the funds secured by the Tennessee Valley Authority which are turned into its general fund, are derived from leases on farm lands and other property which it owns and which are operated under the resource-development program?

Mr. HILL. The Senator is correct, and I thank him for his contribution.

The amendment offered by the Senator from Kentucky presents this question: Does Congress disapprove of the program of relinquishing to local agencies, public and private, and to individuals, responsibility for the utilization of this new recreation asset? Would it have preferred the establishment of a new Federal park system, with larger appropriations every year?

As I have said, TVA operates none of the recreation facilities. The modest appropriation now requested would permit the continuance of technical assistance to the public and private developers of the properties. A few technicians, a few demonstrations, and faith in the people—these are the ingredients which have resulted in the development I have summarized. This is a method Congress should approve, if Congress honestly believes in decentralization. If we honestly believe in local self-government and local responsibility, if we are opposed to any more centralization than is neces-

sary, we should approve the amendment of the Senator from Kentucky.

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

Mr. HILL. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. I have been very much interested in the Senator's comments about decentralization. As I understand, the Senator is pointing out that TVA has, as one of its cardinal administrative principles, the decentralization of Federal authority and a reversion to local jurisdiction.

Mr. HILL. The Senator is exactly correct. That is the spirit of the act. That has been the whole design, purpose, and policy of the TVA board.

Mr. HUMPHREY. As I understand, it has been not only the design and purpose, but it has been the practice, too.

Mr. HILL. It has been the practice which has been carried out.

Mr. HUMPHREY. The Senator has expressed some wonderment as to why those who believe in decentralization have vigorously supported TVA, rather than condemn it. Is that correct?

Mr. HILL. That is exactly correct.

Mr. HUMPHREY. I hesitate to say this, because of my great respect for the Senator from Alabama and his knowledge and great information on the subject of TVA, but has the Senator ever thought that possibly some persons who talk about decentralization really mean deenergizing, sterilizing, and literally demolishing the whole program?

Mr. HILL. The Senator is exactly correct, unless it be a program which they believe they can dominate and control, and which directly and immediately affects their own selfish interests.

Mr. HUMPHREY. The Senator has pointed out that in the TVA administration, not only is there decentralization, but also citizen participation.

Mr. HILL. That is correct.

Mr. HUMPHREY. So little special-interest groups are not able to dominate the so-called decentralization.

Mr. HILL. The Senator is exactly correct.

Mr. HUMPHREY. I have noticed that the same people who want decentralization also want domination. They try to get their "D's" together.

Mr. HILL. They do not want decentralization unless they can also dominate.

Mr. HUMPHREY. They want to have domination, as well.

Mr. HILL. That is correct.

Mr. HUMPHREY. I have been so intrigued with the Senator's wonderful exposition and explanation of the subject of the TVA that I thought it might be appropriate that Senators who have similar views should express them.

Mr. HILL. I thank the Senator from Minnesota for giving expression to his thoughts, which so well confirm and ratify what I have been trying to say this afternoon.

Let us consider the TVA method as it has been applied to the problem of developing navigation on the Tennessee. The channel was a modern river highway from Paducah to Knoxville when Kentucky and Fort Loudon Dams were completed. It was a public investment. It should be used by the people.

A few large shippers saw profit in building their own terminals, and promptly did so, but small shippers could not do that. So once again TVA gave a demonstration. Four general public-use terminals were built at Knoxville and Chattanooga in Tennessee, and at Guntersville and Decatur in Alabama. They were operated by TVA for a preliminary demonstration period. I remember there were doubters who were certain that the initial appropriation for construction of the terminals would mean a continuing Federal responsibility for their operation. What happened? All four terminals are now in the hands of private operators. All four are successful. The terminals have contributed to the record of the 834 million ton-miles of commerce which moved on the river in 1952. They will continue to contribute. They are not affected by the cut recommended by the committee. I mentioned them for one purpose only. To demonstrate, out of my own knowledge, the good faith of TVA in its avowal of a desire to keep the Federal responsibility small, always to enlarge the participation of the people.

There was nothing in the law which required the TVA to turn over the terminals to private operators. So far as the law was concerned, TVA could have continued to operate them and have them today, but they did not do that. As soon as possible TVA turned over the terminals to private operators, with compensation, of course, to TVA for the terminals. They were not disposed of as gifts, or anything of that kind.

I could give other examples. I could tell of the part TVA played in helping the 15 valley counties of North Carolina to organize for forest-fire control. Before 1947 those counties had made no concerted effort to protect their woodlands from fire, in spite of the fact that a well-developed forest-products industry depended for survival on the forests. Before 1947 3 percent of the forest area burned annually. In that year TVA, the State, and the 15 counties entered a cooperative program of fire protection. At the end of 5 years TVA, which had contributed less than \$90,000 of a total expenditure of half a million, withdrew its financial aid entirely. But the program has been effectively continued. The annual burn has been reduced from 3 to 0.22 percent, and last autumn the program paid off. All of us remember the forest fires of last October and November. While the fire hazard was as great in these counties as in the rest of the valley, only 0.56 percent of the protected area burned, a loss of less than \$100,000. In neighboring east Tennessee, where no similar program had been undertaken, 20 percent of the forest land burned.

That is the way the TVA works. It leads; it provides technical advice that could never be provided by individual counties, or even States. It sparks a demonstration. Then it moves on to another problem, another area, leaving behind a stronger resource base, a better organized community, weaving it all together to make a stronger region.

Because of TVA all 7 States of the valley are better equipped today to carry out the responsibilities they are assuming. Since 1933, when TVA began this

program of cooperation, more than 1,200 organizations, State and local, public and private, have been established to work in the resource-development field. More public funds are being spent in the Tennessee Valley to improve, develop, and conserve our resources than were being spent in 1934. The point I want to emphasize is this. The greatest share of the total was provided by the States in 1952, whereas in 1934 most of the money was provided by the Federal Government. Let me give the figures. The total public funds, including Federal-aid funds, expended by State agencies to build up the resource base has increased from less than \$8,500,000 in 1934 to nearly \$60 million in 1952. The State funds employed by these agencies has increased from less than \$5,600,000 to nearly \$50 million in 1952. This is the result which TVA intended, and has brought about. This is proof that, so far as the Federal Treasury is concerned, the TVA method is a method of economy, a method productive of savings to the Federal Treasury. While the States have increased their share of the total, TVA expenditures have been progressively reduced. In 1947, for these same activities, TVA received \$3,950,000. This year it requested only a little more than \$2 million.

Let me call attention to one more indication that TVA may have an influence on the valley unsuspected by its critics. Federal employment has not grown in the Tennessee Valley as it has in the rest of the country. In 1934 the valley's share of the Nation's total number of Federal civil employees was 3.9 percent. In 1951 it had gone down to 2.5 percent. The number of State and county employees working on the problems of resource development has increased. The staffs of the educational institutions have been enlarged. Private employment in the field has greatly expanded. But the Federal payroll in the Tennessee Valley has diminished from the standpoint of the proportion it bears to the Federal payroll in the rest of the country.

This is in spite of the fact that every man working on the construction of a TVA dam or steam plant is a Federal employee. The men who repair transmission lines, reset poles, or operate switchboards in a powerplant are Federal employees. They are temporary workers, thousands of them, but they are counted, just the same, as Federal employees. They are so counted whether their salaries are paid from funds appropriated by the Congress or from revenues received by the TVA. Yet counting all these, the valley has only 8 Federal civil employees per 1,000 population. That is two-thirds of the national average of 12. These figures come to us from the Byrd committee of the Senate.

This reduction in expenditures and in the number of Federal employees seems to me exactly the right direction for the Federal Government to take. The Federal Government has a responsibility in the field of resource development. No one denies that; but how it should go about discharging that responsibility is the issue presented by the amendment of the Senator from Kentucky [Mr. COOPER]. It can, in a desire for swift ac-

complishment, or in a desire for political advantage, smother the responsibility and initiative of local governments. It can pour out greater and greater appropriations each year. It can regulate and control. Or it can operate after the manner of TVA. It can give technical advice and demonstration. It can make deliberate, conscious effort to draw from the people and their local agencies and institutions the most abundant participation. It can follow the method of economy and of savings to the Federal Government, the method adopted by TVA. This is the method upon which we must pass judgment in passing judgment on the amendment offered by the Senator from Kentucky for himself, his colleague from Kentucky, and the Senators from Tennessee, Alabama, and Mississippi.

Do we want to continue this method of decentralization, this method of economy, this method of savings to the Federal Government, this method of placing more and more of the responsibility on the local communities, the local agencies, the States, counties, and other institutions? In simple words, do we want economy? The issue is as clear as that.

Mr. President, there can be and there should be but one answer, and that answer is to endorse the methods of TVA—the method of decentralization, the method of economy, the method of taking more and more of the burden off the Federal Government and the Federal Treasury. To do that we must adopt the amendment of the Senator from Kentucky, and I urge that it be adopted.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the call.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I have talked with the Senator from Kentucky [Mr. COOPER] and I have talked with the Senators from Alabama and the Senators from Tennessee. The Senator from Kentucky has offered an amendment proposing an appropriation of \$1,750,000 for the resource development programs of the TVA. The revised budget called for \$2,209,000. The House cut the item out entirely. The Senate committee recommended that \$654,000 be spent for agricultural-resource improvement, but out of the funds of the TVA, without providing new funds.

I have suggested to the Senator from Kentucky and to the other distinguished Senators that it would be agreeable to the Committee on Appropriations—and I have talked to the chairman of the committee and to the Senator from Illinois, who is interested in the subject, as well as one or two other Senators—that we accept the amendment of the Senator from Kentucky, amended so as to provide \$1,350,000 of new money, to be added to the appropriation bill as it came from the House; and, in addi-

tion, to provide that out of its appropriation for all purposes TVA find \$500,000 for the resource-development programs. That would give them for resource development \$1,350,000, plus \$500,000.

We shall take the amendment to conference and shall try to persuade the House to accept the amendment in that form.

Mr. ELLENDER. Why limit to \$500,000 the expenditures for reforestation activities by the TVA? Why not include that amount with the new money, and let all of it be used in any way the TVA officials may desire to use it?

Mr. SALTONSTALL. The House eliminated all funds for resource development. The Senate Appropriations Committee, in considering the amendment of the Senator from Illinois, voted to include \$654,000 for forest-resource development, but to have that amount come out of the appropriation of \$188 million which was voted by the House.

I now suggest—and I hope we may take to conference the amendment as thus modified—that we restore \$1,350,000 of the \$2,209,000, and that we include in the report a statement that \$500,000, in addition to the \$1,350,000, is to be spent for resource development. In other words, the TVA will have to refrain from spending the \$500,000 for equipment.

Mr. ELLENDER. The Senator from Massachusetts intends that no restriction be placed upon the expenditure of the \$1,350,000; is that correct?

Mr. SALTONSTALL. Yes; there would be no restriction upon it.

Mr. ELLENDER. Then why not include the \$500,000 in the same category?

Mr. SALTONSTALL. It will be in the same category. But we would state in the report that we would reduce the other expenditures TVA would make by \$500,000, and that TVA would spend \$500,000 for resource development, plus \$1,350,000.

Mr. ELLENDER. And that would not make it applicable merely to reforestation?

Mr. SALTONSTALL. That is agreeable to me. That would mean there would be \$1,850,000 for resource development, rather than \$2,209,000.

Mr. CHAVEZ. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. SALTONSTALL. I yield.

Mr. CHAVEZ. As I understand, the modified amendment of the Senator from Kentucky would provide this amount to take care of resource development activities and to cover agriculture, forestry, mineral resources, tributary watersheds, stream pollution, fish and wildlife development, and similar activities.

I understand that the modification suggested by the Senator from Massachusetts would limit the expenditure for those activities to \$1,350,000; is that correct?

Mr. SALTONSTALL. It is not quite correct. We would provide for those activities \$1,850,000.

Mr. CHAVEZ. That includes the \$500,000 for forestry, does it?

Mr. SALTONSTALL. That is correct.

Mr. HILL. Mr. President, let us agree on the amendment as modified.

The PRESIDING OFFICER. The Chair inquires of the Senator from Kentucky whether he accepts the proposed modification of his amendment.

Mr. COOPER. Yes, Mr. President; and I thank the distinguished Senator from Massachusetts for the statement he has made. I have talked to my associates and colleagues who are responsible for this amendment, and they are satisfied with the proposed modification.

The amount of the amendment, as modified, is approximately the same as the amount originally proposed in the amendment. Second, the amendment, as modified, will maintain the principle for which we have contended, namely, the maintenance of the resource development programs as an integral part of the TVA program. We know the conferees will fight to sustain the amendment.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert:

Resource Development Programs: \$1,350,000 for Resource Development Programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. COOPER] for himself and other Senators.

The amendment as modified was agreed to.

Mr. MURRAY. Mr. President, during the afternoon I have listened very carefully to the able debate concerning the TVA program and the need for preserving and extending the activities of that very important agency.

In Montana we have a very great interest in the Tennessee Valley Authority, because in our State we have great undeveloped resources that in many respects are similar to those in the valley of the Tennessee. Our resources lie in two great river basins—the Missouri and the Columbia—where there remains much undeveloped, low-cost hydroelectric power. While we have the added problem of irrigation development, many of the resources development problems which confront us parallel those which the Tennessee Valley Authority has handled so successfully.

Many of our citizens have gone to the Tennessee Valley, as I have, to see it at first hand. Several score of Montana farmers have toured and inspected TVA. Our citizens have always returned enthusiastic about TVA. They are, consequently, aware not only of the costs of this great project, but also of the tremendous benefits—the tremendous dividends—which it has returned to the Nation in dollars, in new resources development, in new industrial, agricultural, and conservation techniques, and in national security.

Although we are nearly 2,000 miles away, we have enjoyed the benefits of TVA, both directly and indirectly; and we regard it as the greatest national business investment of our times.

The people in Montana know, Mr. President, that TVA has transformed an area, once retarded economically, into a source of great national strength. Our

people know that the proportion of the national tax bill paid from the Tennessee Valley area has greatly increased. I recently made inquiry about this, because of the current emphasis on sound business principles.

In 1933, before TVA, 3.4 percent of the national collections of personal income taxes came out of the 7 Tennessee Valley States. In 1951—the last year for which data is available—those 7 States paid 6.3 percent of all national personal income taxes. That was a gain of 2.9 percent in the proportion carried by the people of the area of the total personal income-tax burden. In 1951, the increased proportion amounted, in dollars, to \$740 million.

Over the years that the Tennessee Valley Authority has existed, the gain it has brought about in Federal personal income-tax payments alone has offset several times over the cost of the Tennessee Valley development, but it only begins to reflect the total benefits to the Nation. Behind these income figures are new industries, new employment, new production and research, and new techniques and developments of even greater importance than dollar considerations.

We were most fortunate to have the Tennessee Valley Authority during World War II. Its power, and the electric power of the great Bonneville Power Administration made our atomic energy development possible. They made possible a rapid expansion of aluminum production and of other essential defense industries. I am told, for example, that TVA manufactured most of the elemental phosphorus required by the armed services, and that it has now helped private industries—one of them in my own area—get into that production.

All the farmers in America are grateful to the Tennessee Valley Authority for an outstanding modernization which it has quietly brought about—the development of high-concentration fertilizers which have reduced unit freight costs, unit plant-food costs and consequently the costs of maintaining the fertility of our soil. We in the West are grateful to the TVA because its technicians have helped Western private industries develop some of the first of what we hope eventually will be many modern phosphate plants in the Rocky Mountain area.

Mr. President, I can recall when the Congress was told that the power output of the Tennessee River would not be used for a century, and that the development proposed was an unwise venture, for that reason. But the power has been completely utilized. I am amazed that the same argument—so completely disproved by the TVA example—is still heard over and over, like a broken phonograph record, whenever a Federal power project anywhere is proposed. The argument is used against REA, against rural telephones and against every dam and every power facilities suggested.

The President's Materials Policy Commission, headed by Mr. William S. Paley, a well-known businessman, warned us last year that we need to install all the new power capacity that both Government and private utilities can build. We

need to expand power production 260 percent by 1975 over 1950, the Commission found.

We are right now deficient in low-cost power to meet the aluminum production goals set by the National Production Administration at the beginning of the defense preparation program. Only 800,000 tons of the desired 1 million tons additional capacity has found a power source.

A part of the 80,000 tons of capacity was installed by conscripting generating capacity in the Arkansas area for the aluminum plant, the Bull Shoals and production, which had been previously pledged to REA cooperatives.

Recently Montana lost an opportunity to have a large chrome industry locate in the State. It lost the opportunity because it was unable to furnish the power necessary for the industry. The concern involved, instead of coming to our State, went to the Tennessee Valley, where it located at Memphis, Tenn., and is now operating exclusively at that point, bringing the needed supplies of chrome across the ocean from Africa. It was a tremendous loss and a great disappointment to the people of the State of Montana.

As I have told the Senate previously, I feel very strongly that every reduction in our investment in power generating capacity at this time is unwise, whether it be in my own State or the great Tennessee Valley area, which has paid the Nation such handsome dividends.

Similarly, I think we will be selling the whole Nation short if we curtail the experimental and resources development programs of the TVA which have benefited us all.

Mr. President, on behalf of the people of Montana, who want an expanding and productive economy in this Nation—not a contraction and unemployment—I shall support adequate appropriations to keep TVA fully efficient.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 2199) to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government.

The message also announced that the House had passed a bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, was read twice by its title, and referred to the Committee on Finance.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent

executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

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

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], and my colleague, the Senator from Tennessee [Mr. GORE], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 9, in line 21, it is proposed to strike out "\$188,371,000" and insert in lieu thereof "\$218,371,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. KEFAUVER obtained the floor.

Mr. GORE. Mr. President, will the Senator yield, that I may suggest the absence of a quorum?

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee withhold his request for a moment?

Mr. GORE. I am glad to withhold the suggestion for a moment.

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee yield to me for the purpose of asking a question or two of the chairman of the Committee on Appropriations in connection with another item, before he begins his discussion of the TVA? It will take but 2 or 3 minutes.

Mr. KEFAUVER. With the understanding that I do not lose my right to the floor, I yield to the Senator from Minnesota for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I understand that the chairman of the Appropriations Committee will be here shortly. He stepped out of the Senate Chamber for a moment. I desire to direct attention to the item of appropriation for the Veterans' Administration. Before I do that, I wish to thank the senior Senator from Tennessee for his courtesy. I greatly appreciate it.

Mr. SALTONSTALL entered the Chamber.

Mr. HUMPHREY. Mr. President, if I may now have the attention of the distinguished chairman of the Appropriations Committee, I may say that earlier today I mentioned privately to the distinguished Senator from Massachusetts that I had a question or two in reference to the Veterans' Administration item of medical care and hospital facilities.

Mr. SALTONSTALL. I shall be glad to answer the Senator's questions, if I can.

Mr. HUMPHREY. I have noticed, on page 9, in the breakdown in the report on the second independent offices appropriation bill a new breakdown of the total or aggregate figures. I should like to ask the Senator 1 or 2 questions. Am I correct in saying that the amount provided for the Veterans' Administra-

tion's medical-care program is approximately \$56 million less than the President's revised budget?

Mr. SALTONSTALL. I would say to the Senator from Minnesota that the general operating expenses of the Veterans' Administration are divided by the House into seven new items, namely, medical administration, maintenance and operation of hospitals, contract hospitalization, maintenance and operation of domiciliary facilities, outpatient care, and maintenance and operation of supply depots. The expenditures for the fiscal year 1953 on a comparable basis were \$853 million. The original Truman budget for the previous year called for \$921 million. The revised budget is \$851 million, and the amount in the pending bill is \$895,710,000, or approximately \$40 million more than was expended last year. This amount is satisfactory to the Veterans' Administration, according to Mr. Sterling and Dr. Boone.

Mr. HUMPHREY. In other words, the amount the Senate Committee on Appropriations has recommended is above the revised estimates. Is that correct? Is it above what the House asked, or is it the same?

Mr. SALTONSTALL. It is the same figure that the House appropriated, is \$44 million above the revised budget, and approximately \$42 million above the expenditures last year.

Mr. HUMPHREY. I thank the Senator. I desire to ask 1 or 2 other questions, so that we may have the record complete.

I have received a great number of letters, as I know every other Senator has, regarding this one item. Is it the Senator's view, as a result of his study and very careful attention to this matter, that the funds which are recommended will result in the maintenance of an equal quality and degree of service to that which has been extended during the past year?

Mr. SALTONSTALL. I think it will result in a better degree of service. The House increased the appropriation for hospital maintenance and operation from \$497 million last year to \$548 million. That will make it possible to hire 7,000 more operatives. Of these, 2,300 will be assigned to beds in existing hospitals. There are 11 new hospitals coming along during the fiscal year; 4,700 operatives are provided for those 11 hospitals, which will have approximately 7,600 beds. So next year it will be necessary to provide for additional operatives, since it takes 9 operatives to every 10 beds, or practically 1 operative to every bed. Dr. Boone has testified that, with very few exceptions, every veteran with a service-connected disability gets prompt attention, and that none are delayed more than 7 days. There is a waiting list of veterans with non-service-connected disabilities, but there always will be.

Mr. HUMPHREY. The Senator may recall that it was my privilege—should I say responsibility?—to be the chairman of a special subcommittee on veterans' medical care of the Committee on Labor and Public Welfare. I was appointed by the distinguished Senator from Montana [Mr. MURRAY]. We went into this whole medical program. Did

the appropriations subcommittee obtain any information as to whether the cooperative relationships between the Veterans' Administration and the deans' committees on medical activities are as good as they were? Is that relationship still as good as it was?

Mr. SALTONSTALL. We did not go into that question, I will say frankly to the Senator from Minnesota. I can only say that the representatives of the Veterans' Administration on the medical side felt that we had provided sufficient funds for them to give proper service.

Mr. HUMPHREY. If we should be confronted with an increased load in the hospitals, I understood the Senator to say we can always resolve that problem by a deficiency appropriation.

Mr. SALTONSTALL. If we absolutely have to; but a deficiency is not expected, I think. It may be expected in appropriations for statutory items such as pensions and veterans' benefits and that sort of thing, where specific amounts are required. The Veterans' Administration estimates that it has sufficient money for that purpose for 10 months. We have very clearly set forth in the report that if more money is needed we will grant a supplemental budget. This year we granted \$235 million. There will be an estimate of approximately that figure next year. It is an educated guess because there are three new statutes this year and new veterans are coming under the law. So the best we can say is that the appropriation will probably be on the under side, but, we have allowed a 10-percent movement between the statutory accounts, if one account is running up and the other is running down.

Mr. HUMPHREY. There is some flexibility, so that there can be a transfer of funds in case of need; is that correct?

Mr. SALTONSTALL. Yes.

Mr. HUMPHREY. As I understand, there is no change of policy with reference to veterans' medical care.

Mr. SALTONSTALL. There is one change, and that is in the dental service.

Mr. HUMPHREY. It is in the outpatient dental service, is it not?

Mr. SALTONSTALL. Yes. It is placed on a fee basis, and a veteran must, within a year after the passage of the act, make application for dental service, showing that his dental disability is service-connected.

Mr. HUMPHREY. But there has been no change other than that; is that correct?

Mr. SALTONSTALL. That is correct.

Mr. HUMPHREY. One of the finest hospitals we have, in terms of medical care, is the Fort Snelling Hospital, which was one of the initiators of what we call the deans' committees to staff hospitals with universally trained technicians and physicians. I have received reports that the military is moving in and enlisting the services of many technicians and specialists. The hospital lost a pathologist. I think the Senator knows that a top-grade pathologist is very difficult to find. I hope that somewhere along the line the proper authorities will give note to the fact that veterans' medical care is priority medical care, because the large veterans' hospitals which we have opened at great

cost to the people of the country cannot be properly staffed if their specialists, the heads of departments of medicine, are going to be removed and taken away, thereby leaving a hospital without a proper technical staff.

Mr. SALTONSTALL. I agree with the Senator from the bottom of my heart. That is a problem in every hospital.

Mr. HUMPHREY. I am sure the Veterans' Administration will be reviewing the whole legislative record, and I think we should express our concern about it, because we all know that if 2 or 3 key persons, who are the heads of the department of neurology or orthopedic surgery or pathology are taken, the hospital is practically demobilized.

Mr. SALTONSTALL. I realize that if men like Dr. Cushing and other great physicians are taken away from a hospital, it is a very serious matter.

Mr. HUMPHREY. I thank the Senator from Massachusetts. He has done a magnificent job.

Mr. KEFAUVER. Mr. President.

The PRESIDING OFFICER. The senior Senator from Tennessee is recognized.

Mr. GORE. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. KEFAUVER. I yield.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

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

Mr. KEFAUVER. Before explaining the amendment I have offered on behalf of several other Senators and myself, I wish to pay very high tribute to the distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from Alabama [Mr. HILL] for the very excellent explanations they made of the value and importance of the resource development fund to the Tennessee Valley Authority and to the Nation. Also, I desire to compliment the distinguished Senator from Massachusetts [Mr. SALTONSTALL], chairman of the subcommittee, and the other members of the subcommittee with whom he conferred, upon their recognition of the importance of the continuation of the resource development program of the TVA.

The amount agreed upon in the compromise for the program is not the amount requested by the President in his budget or by the Tennessee Valley Authority, but we hope it will enable TVA to carry on the very essential work which, under the TVA Act, they are directed to do, namely, unifying river development, protecting the forests, and developing an agricultural program, so that silt will not fill the reservoirs, thus enabling them to be used to their greatest extent.

The pending amendment would provide \$30 million to commence construction of the so-called Fulton steam plant, which would be constructed 30 miles north of Memphis, and which the Ten-

nessee Valley Authority says it needs in order to prevent a power shortage of substantial nature beginning in 1956. The item was included in the budget submitted by former President Truman. It was not included in the latest budget, and it has not been included by the committee.

I hope and believe that if the Senate will consider the matter very carefully, it will agree that, in the interest of carrying out the contract between the people of the Tennessee Valley and the Federal Government, and in the interest of our own defense effort, particularly the atomic energy program, the money should be appropriated, so that construction of the steam plant can be commenced this summer.

In the first place, it should be kept in mind that 3 years are required to build a steam plant, so if the power demand in 1956 is to be met, construction will have to be started this summer. Not only will 3 years be needed in order to construct the steam plant, but orders must be placed for large furnaces, generators, and other very heavy equipment, manufactured by General Electric and other industries, which cannot be furnished in less than 3 years. I understand the Tennessee Valley Authority has been able to build hydroelectric facilities and steam plants in a shorter time than has been taken by any governmental agency or private corporation. Three years is the shortest time within which the proposed steam plant can be constructed.

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

Mr. KEFAUVER. I yield.

Mr. HAYDEN. I am concerned about two things. First, will there be actual need for the power 3 years from now? I understand an allegation was made in the House committee report that the Tennessee Valley Authority had consistently overestimated its demands for power. Of course, that charge has been made with respect to power generated elsewhere in the United States, but in actual effect and practice the generation of power has not kept up with demand.

What is the situation in the Tennessee Valley now, and what will be the probable situation 3 years from now?

Mr. KEFAUVER. I am very happy the distinguished Senator from Arizona has asked the question. That is the crux of the whole matter. According to testimony by private power witnesses and others, the Tennessee Valley Authority has an excellent power department. Mr. Wessenauer, who is head of the power department of TVA, is highly spoken of. Everyone says he is completely capable of estimating the needs of the Tennessee Valley.

The fact is that, based upon a 3-year estimate of the needs of the Tennessee Valley, TVA has always been on the conservative side, slightly underestimating, 3 years in advance, the amount of power that would be needed 3 years hence. Information to corroborate this statement will be found at page 94 of the hearings. Of course, in this instance, for the purpose of constructing a steam plant, the estimate must be made 3 years in advance.

For example, in 1950, TVA estimated its demand at 2,700,000 kilowatts. Actual demand was 3,200,000.

In 1951, the estimate was 2,900,000 kilowatts. Actual demand was 3,800,000 kilowatts.

In 1952, the estimate was 3,500,000 kilowatts. Actual demand was 4,200,000 kilowatts.

Based upon a 2-year estimate, as is shown in a table in the middle of page 94 of the hearings, it will be seen that the Tennessee Valley Authority has slightly underestimated the power needs. For instance, in 1947 the need was estimated at 1,800,000 kilowatts. Actual demand was 2,200,000 kilowatts.

In 1948 the estimated demand was 2,200,000 kilowatts. Actual demand was 2,500,000 kilowatts.

In 1949 the estimated need was 2,500,000 kilowatts. The actual demand was 2,700,000 kilowatts.

Based upon a 1-year estimate of demand and the need, TVA about half the time has slightly underestimated its need, and half the time has slightly overestimated its need.

The confusion in the House hearings grew out of these facts. The House misinterpreted certain figures. They took figures as to what was actually used during some years. As a matter of fact, during some years TVA has had to curtail greatly the use of power. It has been necessary to place advertisements in the newspaper giving notice of the curtailment of the use of power. There have been brownouts to enable the defense effort to have more power. They have had to let the Aluminum Co. and other defense industries have a little less power. So the amount which was used did not actually reflect the demand. It was based upon some miscalculations of that sort that the House report contained an error in its statement.

Mr. HAYDEN. The other matter which interests me is this: As the Senator knows, for a long time I have served on the subcommittee of the Senate Committee on Appropriations which handles the Interior Department appropriation bill. In that bill money is provided for the Bonneville Power Administration and for the United States Reclamation Service and its various power activities. We have made it a rule—and have followed it very consistently—that, where private enterprise could undertake the generation, and particularly the delivery, of power, it was better to let private enterprise do it if it could be done so that, so far as the consumer was concerned, he would suffer no disadvantage. That general principle was stated in the report which was submitted to the Senate this year on the Interior Department bill. The report stated:

The committee reiterates its view that efforts should be made to secure wheeling contracts wherever possible, and that the Federal Government should build transmission lines only when such agreements cannot be negotiated at comparable costs to consumers; the only exception to this policy should be with respect to main lines for the purpose of connecting Federal hydroelectric plants.

In other words, we have preferred to have private enterprise do the work when it would do it at a cost comparable to the

cost of the Government providing the facility. If the cost is far out of line, and we cannot get the private companies to come down in their wheeling charges to reasonable prices, we say, "All right; the Federal Government will have to build the line." The effect has been generally that the private power companies have been willing to do the work. In that way we have been very successful in saving the appropriation of large sums of money.

What I should like to know with respect to the Fulton steam plant is this: Is there any private power company, or group of private power companies, which would be willing to install electrical capacity to meet the needs of the Atomic Energy Commission and the communities generally in that area, so that the Federal Government need not invest \$30 million in this plant?

Mr. KEFAUVER. Answering the question specifically, I will say to the Senator from Arizona that there is not.

Mr. HAYDEN. Has any effort been made to contact the private power companies in that area or adjoining areas, to see whether the power could not be transmitted to the TVA from some reasonable distance? Are any steam plants being built nearby which could be expanded to do the work?

Mr. KEFAUVER. I will say to the Senator that I recognize the importance, in connection with wheeling contracts, of not having duplicating facilities in the wheeling of power. There is this difference, in that the TVA has a territory which it serves under a contract which has been approved by Congress, or at least there is an understanding with respect to an area. But even if it were a desirable policy for the TVA to buy power from other utilities as one of its primary sources of power, the record does not show that there is any power company or group of power companies in a position to furnish the power which is needed, and which would be supplied by the Fulton steam plant.

There is testimony to this effect: The nearest utility to this plant is the Mississippi Power Co., which is in a holding company which also includes the Arkansas power companies. The operating company is the Mississippi Power & Light Co. The holding company is the Mid-South Utilities, Inc., which operates in the States of Mississippi, Arkansas, and Louisiana. Mr. Wilson, the vice president of the power company, testified. His testimony will be found at page 264. He was asked this question:

At the present do you have any surplus power?

He answered:

When our present production schedule is completed by the end of this year we will have some surplus power. Of course, it was built to serve our own loads and not to serve any outside loads, and of course we expect it will be available until our own loads require it.

He goes on to say, however, that if they could have a long-term contract, such as 20-year contract, they might be willing to install some kind of facilities. But there is no power company in that section which has the power available,

and which has a definite offer to make with respect to power which would meet the requirements in this case.

Mr. HAYDEN. I can understand the general situation of the Tennessee Valley Authority. It is similar to a private utility; that is, there are certain territories which the utility serves, and it does not want anyone else invading its territory. It is supposed, if it is properly managed, to continue to provide power for the advancing needs of its particular territory.

The Senator referred to the territory served by the TVA, and stated that in that area there was no competition, no private industry at all. But it is not very far away from Mississippi. It is not very far away from Ohio, Arkansas, and other States. I wondered whether there was any evidence which could be produced which would indicate that it might not be necessary to construct this plant at Government expense, because power could be obtained nearby.

Mr. KEFAUVER. There has been no showing to that effect. Mr. Wilson testified that any power that was sold by the Mississippi Power Co. now, unless it had some long-term contract such as a 20-year contract, the price not being arrived at, would be subject to the needs of their own customers in their own area.

Mr. HAYDEN. Of course, there is another factor to be considered, and that is this: Could the power be bought and be transported from any station in the general area and delivered to the Tennessee Valley Authority at a price which would be comparable to the price at which it could be produced in the plant proposed to be built? It would place an undue burden upon the Tennessee Valley Authority to require it to buy power from the outside if such power would cost more than the cost of producing the power in its own area.

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

Mr. KEFAUVER. In a moment.

As a matter of fact, there is a power shortage in most areas. The TVA buys some power from other companies. Sometimes it sells to other agencies. Quite recently, because of the lack of power, TVA has had to pay premium rates for some power, which has cut down the amount of money it has made for the United States Government.

I now yield to the Senator from Alabama.

Mr. HILL. Is it not true that neither Mr. Wilson's company, the Mississippi Power Co., nor any other company, has any dependable power at this time to sell to TVA?

Mr. KEFAUVER. That is correct.

Mr. HILL. All of them said there would have to be a 20-year contract, because they would have to build facilities to generate whatever power they might sell, if they were to sell power to TVA. Is it not true that neither Mr. Wilson nor anyone else would say what the price of such power would be?

Mr. KEFAUVER. That is absolutely true. On page 262 Mr. Wilson said:

We cannot determine the price of this power until we know all the characteristics and other factors involved in the production and delivery of it.

So the Senator is quite correct. No firm offer has been made, and none proposed.

Mr. HILL. Is it not true that in an interview in the Nashville Tennessean a few days ago Mr. Wilson spoke of the cost or rates being some 50 percent higher than TVA now charges to its distributors who buy its power and distribute it?

Mr. KEFAUVER. That is correct, and he would sell the power.

Mr. HILL. It would be 50-percent higher.

Mr. KEFAUVER. He would propose selling to the TVA, power which, I believe, would be at a higher rate than TVA is now selling it to the city of Memphis.

Mr. HILL. It would be 50-percent higher, according to the interview in the Nashville Tennessean.

Mr. KEFAUVER. That is what he said in the interview.

Mr. MORSE. Mr. President, will the Senator yield for 2 or 3 questions bearing on the problems raised by the questions of the Senator from Arizona?

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in understanding that the steam plant being asked for by TVA is to serve consumers in an area now supplied with power by TVA?

Mr. KEFAUVER. That is correct; and in further answer to the question, it is to serve consumers in the area supplied by TVA, the area having been tacitly agreed upon and approved by Congress.

Mr. HILL. Mr. President, will the Senator from Tennessee yield in that connection?

Mr. KEFAUVER. I yield.

Mr. HILL. Is it not correct to say that the private power companies and TVA have scrupulously carried out their agreement?

Mr. KEFAUVER. Yes.

Mr. HILL. TVA does not seek to get into the territory of others or to extend its power? In other words, both sides, the private power companies on the one hand and TVA on the other hand, have scrupulously lived up to their agreement setting the limits of the territories for TVA?

Mr. KEFAUVER. That is correct. Mr. Barry, the president of the Alabama Power Co., and others testified that there was a good understanding between them and there had not been any effort on the part of TVA to extend its territory, and that they were both living up to the understanding or tacit agreement with reference to the territory involved.

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

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in my understanding that the amount of power to be generated by the proposed steam plant is needed to firm up the power program in that area and to supplement the power consumers will need within the next 3 or 4 years or more, and that, without TVA, they would be confronted with the choice either of having an inadequate supply of power or the necessity of bringing power in?

Mr. KEFAUVER. The Senator is right in the respect that unless the

plant is built TVA will have to tell its customers, the farmers and homeowners and industries, that they can expect a power shortage in 1956, because of the power being used by the Atomic Energy Commission and other defense plants, which must be supplied.

It is not altogether correct to say that it is for the purpose of firming up the hydroelectric power. TVA would be firming up the hydroelectric power, and that would be the way it would be operated, except for the fact that in 1956 or next year, one-half of all the power produced will be used by the Atomic Energy Commission plant located in the valley, which frankly requires more power, and that fact requires them to go beyond the point of firming up the power. So it is necessary to build the steam plant to furnish the power users in the valley, plus the Atomic Energy Commission.

Mr. ELLENDER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. KEFAUVER. I yield first to the Senator from Louisiana; then I will yield to the Senator from Oregon.

Mr. ELLENDER. For the information of my good friend from Oregon, I will say that the record shows that next year, of the amount of power produced in the Tennessee Valley, by what is known as the TVA, 66 percent will be produced by steam and only 34 percent by hydroelectric power generation. So it is not a question of firming it up.

Mr. KEFAUVER. That is by 1956, I believe.

Mr. ELLENDER. By 1954. By 1956, 67 percent of it will be produced by steam and 33 percent by hydroelectric power.

Mr. KEFAUVER. If the Senator will deduct the amount of power used by the Atomic Energy Commission it would be on the basis where hydroelectric power is being firming up by steam power. It is by virtue of the demand of the Government of the United States on TVA, which they would gladly comply with, that they furnish power. It enabled us to get the atomic bomb sooner than we could otherwise have got it. That is why the situation exists which the Senator from Louisiana has described. I do not believe that the people of the Tennessee Valley ought to be penalized with respect to the power being produced at the dams because such a large proportion of the power is being used for atomic-energy development.

Mr. ELLENDER. I do not believe the people of Tennessee ought to be penalized. The Senator from Tennessee heard my good friend from Montana [Mr. MURRAY] state that because there was not adequate power in his State the plant that was supposed to have been built in Montana was transferred to and built in the Tennessee Valley area.

Mr. KEFAUVER. I shall come to that later. I will discuss the transferring of plants later.

Mr. ELLENDER. I wonder whether my good friend will tell us to what extent there is on the Government the obligation he speaks of, to build the steam plant. Are we to understand that the Senator is advocating that so long as

there is a power shortage in the valley the Federal Government will be bound to build steam plants to meet the power shortage? Is that what the Senator contends?

Mr. KEFAUVER. That is the historic and legislative background of the obligation of the United States Government, in my opinion.

Mr. ELLENDER. If the Senator will examine the record he will find that many of us, including myself, voted to build steam plants so long as it was necessary to firm up hydroelectric power; but beyond that I did not think the Federal Government should undertake to build such plants.

Mr. KEFAUVER. I appreciate the fact that the Senator from Louisiana has always supported the building of dams and steam plants for the purpose of firming up power. That would be the situation today, except for the fact that the Government, in its wisdom, decided that it would produce atomic energy quicker by locating the plants at Oak Ridge and Paducah. I will say that there is a contract or an agreement or an obligation on the part of the Government to have TVA furnish power to the people in the valley, because in 1939, as the Senator so well knows, TVA had some generating facilities, hydroelectric power and perhaps a steam plant—no, it did not have a steam plant then, except the one at Wilson Dam—but at that time, an agreement was reached between cities that they would buy certain distribution systems from private power companies, and between cooperatives, which would buy distribution systems from power companies out in the country, or REA cooperatives, and TVA bought transmission lines and certain generating facilities.

That contract was approved by Congress. There was also set out in that contract, or at least impliedly set forth, the area that would be served by TVA, by counties in Alabama and Mississippi and Kentucky, and certain sections in Tennessee and North Carolina. So, whether we believed in TVA in the beginning—and I want it understood that I did and have always believed in TVA and fought for it—that is the situation we are now confronted with, namely, because of the atomic energy program and other programs we will have a power shortage in the valley which will penalize the people there and place a lid on their economic development, unless the funds for the construction of the steam plant are appropriated.

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

Mr. KEFAUVER. I yield.

Mr. ELLENDER. The question was asked as to whether private enterprise has offered to build a plant of sufficient size to furnish the energy. I refer my good friend to page 261, and the question asked by the Senator from Virginia [Mr. ROBERTSON]:

Senator ROBERTSON. This Fulton plant will produce an estimated 450,000 kilowatts. Would your company be able to furnish by the time we could get the Fulton plant built, and in operation, the extra 50,000, or is there some other company that could come in and help out on that?

Mr. WILSON. Our company would be willing to contract to furnish the 450,000 kilowatts.

Mr. MORSE. At what price?

Mr. KEFAUVER. Yes, Mr. President; that is what Mr. Wilson said.

Mr. ELLENDER. Mr. President, he further said that the energy could be produced and sold by him as cheaply as it could be produced and sold by TVA, if allowance were made for the taxes TVA does not pay.

Mr. MORSE. That was his boast.

Mr. KEFAUVER. Of course, he said later he did not know what price he would have to charge; he said that if they tried to sell any now, it would be subject to the demand of the local people; and that if they furnished any substantial amount, they would have to have a long-term contract; and he said the price would depend upon many, many other factors, which could not be known until conditions there developed.

All we are asking is that the TVA be allowed to operate in the way any utility does. Any utility has the responsibility of estimating the power needs of its section in the years to come.

In this case the estimate must be made for the power needs in the year 1956. A utility should not have to depend upon getting power here, there, or elsewhere, and upon contracting with another utility, when it does not know the price it will have to pay. The TVA has contracts in which the price is set forth. The TVA sells the power to Memphis and to the Atomic Energy Commission. If the TVA has to pay the Mississippi Power Co. more per kilowatt for power than it sells the power for, the TVA will not be able to amortize and pay off its investment in 40 years.

Mr. ELLENDER. We would not expect the Mississippi Power Co. to compete with the TVA. The record shows that private concerns could produce power from a steam plant just as cheaply as the TVA could, provided the private concerns paid no taxes and were able to have a low interest rate, as is the case with TVA.

Mr. KEFAUVER. I think I can show—I shall do so a little later—that the Government is obtaining by far a greater return from the TVA than the Government would obtain in taxes from a comparable utility company.

Mr. ELLENDER. As I understand the Senator from Tennessee, his idea is that so long as there is a necessity for electricity within the TVA area, the Federal Government should build as many steam plants as may be necessary, in order to provide whatever electricity is needed.

Mr. KEFAUVER. I think that is the obligation of Congress, under the legislation which has been enacted.

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

Mr. KEFAUVER. I yield.

Mr. MORSE. Is it not true that the area for which the steam plant is requested has attracted industry and other large consumers of electric power, because of the TVA program?

Mr. KEFAUVER. The record shows that this section has built up greatly, that the power needs in the Memphis

area in 1935 were a little more than 100,000 kilowatt-hours, but that now they amount to 1,350,000 kilowatt-hours. So the Senator from Oregon is correct.

Mr. MORSE. Is it not true that the steam plant which is requested would be located in an area as to which there is a general understanding that it would be served by the TVA, and not by power companies?

Mr. KEFAUVER. There is a general understanding, under the TVA contracts.

Mr. MORSE. Is it not true that the request for the steam plant is for one to be built in an area where, if private monopoly were let in—and please note that I refer to private monopoly, instead of private enterprise, because a private utility is not a private enterprise; it is a private monopoly, which is quite a different thing—then there would be created to a considerable degree what we call economic and jurisdictional disputes, which would not result in economic savings, but would result in economic waste?

Mr. KEFAUVER. That is exactly correct, and the purpose of the 1939 contract was to prevent such duplication and economic waste because of competing systems.

Mr. MORSE. Is it not true that the area for which the steam plant is requested is one which we should frankly admit is a part of a public-power program area?

Mr. KEFAUVER. That is correct. It is a part of a public-power program area; and the TVA is a very well run Government corporation, and a very successful one.

Mr. MORSE. Is it not true that the steam plant the Senator from Tennessee is requesting would pay for itself, on a self-liquidating basis, and then would continue to pour into the Treasury of the United States profits from its operations?

Mr. KEFAUVER. I appreciate that question by the Senator from Oregon. The fact is that as of the present time the Government has approximately \$555 million invested in the electrical property of the Tennessee Valley Authority. By statute, the total electrical investment must be paid back to the Government within 40 years.

As of the present time, the Tennessee Valley Authority has actually paid to the Government, in retiring its obligations, \$36 million. It is ahead of schedule. In addition, \$207 million has been earned by the TVA and has been put back into its system—into transmission lines and other properties, in building up the system, which has been authorized by Congress. So over a period of years, the TVA has earned, on its electrical operations, approximately 5 percent on the Government's investment in power.

Mr. MORSE. On the basis of that explanation, is it not true that if the people, through Congress, proceed to construct this steam plant, in order to work out a coordinated program with the hydroelectric power dams, as a part of the public-power program of this area of the valley, the final result of the investment will be a capital asset owned by all the people of the United States, rather than by a private monopoly?

Mr. KEFAUVER. That is certainly correct. Forty years after it is built, it will be paid for. It will then be debt-free, and will be owned by the Government of the United States.

Mr. MORSE. I should like to ask two other questions, if the Senator will permit: Is it not true that if we reject this proposal and if we take the position that private monopoly should be allowed to build a steam plant in the area on any such general noncommittal terms as those testified to by Mr. Wilson in regard to what would be the ultimate cost to the taxpayers of the United States, it would simply amount, in fact, to having a private monopoly go into a public power area and having the taxpayers of the United States build the plant for the private monopoly, because certainly it will not operate the plant at a loss, but will charge rates sufficiently high to pay for the plant and also to provide a profit, at the expense of the taxpayer?

Mr. KEFAUVER. I think the Senator from Oregon is entirely correct.

Mr. MORSE. Is it not true that when we come to consider the argument about the tax contribution of private utility monopolies, it is easy to overlook the fact that the contribution of those utilities to the Federal Treasury, through taxes, amounts to much less than the contribution to the Federal Treasury as a result of the operations of such an institution as TVA, because TVA is able to supply consumers with cheaper power, and cheaper power means more new industries and more new jobs; and more new industries and more new jobs, along with the expanding economy which they promote, result in the payment of more taxes, by many fold, than ever would be paid by the private utility whose operations would restrict, rather than expand, the economy?

Mr. KEFAUVER. There is no question about it.

Furthermore, when we add what the Tennessee Valley Authority pays by way of tax replacement to the States and counties—which is in the neighborhood of a little less than \$4 million—to what the REA's and the city distribution systems pay—which is also in the neighborhood of \$4 million—we find that the total is a great deal more than any private power company in the section ever paid, and is comparable to what a private power company engaging in the same operation would pay.

Taking into consideration the fact that TVA is earning a profit of 5 percent, which is at least 2½ percent more than the rate at which the Government can borrow money, it will be seen that that more than makes up for any possible little tax loss. It is true, as the Senator has said, that such projects build up the economy of the entire Nation.

While I am referring to tax matters, I should like to point out that back in 1933, when the TVA first came into existence, the people of the seven States in the area covered by the TVA were paying 3.4 percent of the Nation's income taxes, a very small percentage; but in 1951 the ratio had just about doubled. They were at that time paying 6.3 percent of the Nation's income taxes. Undoubtedly, that was the result of the

activities of the Tennessee Valley Authority. The people of the area were able to contribute greatly to the taxes which are used in paying the expenses of running the affairs of the Nation.

Mr. MORSE. Mr. President, I thank the Senator for his answer to my questions, because I believe it is important to have them in the RECORD for future reference.

If he will permit one final question, let me ask if the Senator is aware of the fact that the taxpayers of the United States, under the program of tax amortization, have to date contributed to the private utilities of America, in round numbers, \$3 billion of plant value? Does the Senator realize that that amount has been given to private-utility monopolies gratis, for nothing, out of the pockets of the taxpayers? I may say that is why one does not find the Senator from Oregon shedding any tears over the treatment the private-utility monopoly has received from the Government.

But I join with the distinguished Senator from Tennessee in saying I am not going to be a party to letting private utilities creep into the Tennessee Valley area to take over the people's property at a tremendous profit to private monopoly. I am going to oppose the contention that TVA constitutes creeping socialism. I am going to do what I can to protect the American people from creeping monopoly.

Mr. KEFAUVER. I appreciate the observation of my friend, the Senator from Oregon. Of course, nothing would kill the Tennessee Valley Authority quicker than for it to be placed at the mercy of private utilities and be compelled to buy power at premium rates from private utilities surrounding the TVA. That would be exactly the weapon the private power companies would like to have in order to destroy TVA. They could charge high prices, and they would then be relieved of the burden of distribution. The TVA would not be able to meet its obligation to the Federal Government to pay off its indebtedness. It would not be able to operate as any other utility operates, in estimating and in supplying its own needs.

Mr. President, I have here the statement of R. B. Wilson, president of the Mississippi Power & Light Co., of Jackson, Miss., which appears at pages 260 and following of the hearings on House bill 5690. In his testimony Mr. Wilson had spoken of offers to sell power to TVA. He was asked to read from a letter he had received from Mr. Wessenauer, manager of power, Tennessee Valley Authority, Chattanooga, Tenn., in reply pointing out that there was no firm offer on Mr. Wilson's part to sell power to TVA. I ask unanimous consent to have printed in the RECORD at this point in my remarks an excerpt from the letter which appears at page 262 of the hearings.

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

Reverting again to price, you are unwilling to say even that you could sell firm power to TVA at a price of \$1.50 per kilowatt per month, which was approximately the price you quoted for nonfirm power which we pointed out would be half again as much as

the price which TVA resells the power to municipalities and cooperatives.

Inasmuch as the capacity of our existing interconnections is limited to approximately 100,000 kilowatts, all of which is usefully employed in economy interchange between our two systems, the delivery of any substantial blocks of firm power would require new generation. Your proposal would involve heavy cost of transmission. As you stated in your testimony before the House subcommittee, generating capacity should be located as close to the major load centers as practicable in order to minimize energy losses in transmission. The price at which you sell nonfirm is higher than you charge us for power you sold us last year for delivery to AEC. At a load factor of 50 percent, for example, the price would be well over 7 mills per kilowatt-hour. You expect this price to increase between now and 1956, because of the application of the fuel clause. As to the nonfirm power, we may have some use for it as a source of interim power for AEC during the coming winter. As for the firm power we would of course be willing to consider any offer you made, but an offer without a price is not an offer. Our discussion certainly suggested no basis for any hope that we could buy power from your system remotely comparable with the cost of providing power from the new stations in our own system.

Mr. KEFAUVER. Mr. President, during the hearings on the pending bill, the distinguished Senator from Louisiana recognized the burden the heavy atomic energy load had placed upon the Tennessee Valley Authority, and the injustice that might be done to the people of the TVA region if they suffered a power shortage as a result. But he advocated that the atomic energy plants themselves should have standby plants to take care of the increased load.

Mr. President, the fact with which we are faced is that it was not handled in that way. The atomic energy plants rely upon the TVA for power, and I think it is probably wise that standby plants were not built in connection with those plants, for reasons I shall state. In the first place, the atomic energy authorities have enough problems in running the atomic-energy business. They are not in the power business. If they had mammoth plants they would also have to organize a power division. The TVA is already in the power business, and has a competent group of engineers and technicians to operate the business.

In the second place, Mr. President, if the atomic energy plants were to rely for power upon their own standby plants or their own steam plants, they would have to have a much larger capacity than would otherwise be needed, in order to take care of breakdowns. In the event of the occurrence of difficulties, they would have to have some means of continuing their power supply.

In the third place, both would still be owned by the Government, 1 by the TVA, 1 by the Atomic Energy Commission.

In the fourth place, in the event one of the atomic energy plants did not need the power, I think it would be best to have it handled through an integrated system, so that the power throughout the TVA system could be used somewhere else.

The records show that the TVA has saved the Government a great deal of money by giving the Atomic Energy

Commission a low rate. I think we should consider that a 1-mill increase in power sold to the Atomic Energy Commission, which in 1956 will use 50 billion kilowatt-hours, would cost the Government \$50 million a year. The TVA is selling power to the Paducah atomic energy plant somewhat cheaper than the five power companies, who got together and who are furnishing about 40 percent of the energy there.

Mr. President, what will the Tennessee Valley Authority tell the people within that area in 1956, if they do not have sufficient power? Is the Congress to deny the TVA funds with which to build a steam plant, and will it require the TVA to say to its customers, "You cannot have sufficient power"?

In the city of Memphis there will definitely be a shortage, and I think it should be pointed out that Memphis is now getting its power from the new Johnsonville steam plant and from the Pickwick Dam, both of which are more than 125 miles away from the city of Memphis. Nine percent of the powerload is lost in transmission, so that it would be more economical, not only in supplying the city of Memphis, but also in meeting other needs in west Tennessee, as well as any possible additional need at the atomic energy plants in Kentucky, if funds were authorized for the steam plant.

Mr. President, I do not think there is any substantial dispute in the RECORD as to the correctness of the estimates of the TVA with respect to their power needs. The whole record shows they have been conservative in their estimates. Certainly, the engineers of the TVA are in a better position to estimate the power needs of the Valley than is someone who is not in the Valley. They have the experience of the past.

It will be found that in the record there are some of the various cities and the cooperatives who have made estimates as to what their needs in the future will be with reference to power. A very good cross section of these estimates is contained in letters in response to letters which I wrote asking that they give the Senate their estimates of needs. Their percentage of increase is greater than that estimated by the TVA, but they certainly bear out the estimate made by the TVA.

Something has been said, Mr. President, from time to time regarding charges that the Tennessee Valley Authority is pirating industries from other sections. There have been statements made to the effect that the TVA might be pirating industries from New England. That is not the policy of the TVA, and that charge is untrue. A survey showed that only 10 small industries have moved into the TVA area from some other region, with a total number of employees of less than 600. When a survey was started as to why they had moved into the TVA area, the first person who was asked the question said he wanted to get away from his mother-in-law. But in no case was the rate of TVA power the determining factor in connection with their moving.

We have developed our own industries in the Tennessee Valley region. The chemical industry and the aluminum industry were there to begin with.

Through the TVA forestry program we have one industry which will make paper, and there are other industries dealing in woodworking.

Under the agricultural program there is more grazing land. There is a large milk and cheese industry, so that we have cheese factories. The shoe business in the valley has built up. The TVA has not been taking industries from other sections.

Most of the articles which TVA has purchased, such as generators and dynamos, have come from other sections of the United States. I have here a record which shows that a very substantial amount comes from almost every State in the Union. The manufacturing of those articles furnishes employment in other States. Milking machines, radios, television sets, and other electrical apparatus bought in large amounts in the Tennessee Valley area are largely made in other sections of the United States. That has added greatly to the payrolls in other sections.

I placed in the CONGRESSIONAL RECORD on July 1 a breakdown of what the TVA itself had been buying from other States. The amount expended, as I recall, was somewhere in the neighborhood of \$700 million.

Mr. President, I hope the Senate will do the right thing by the people of the Tennessee Valley who are dependent upon the TVA for electricity. The issue as to whether they would be dependent was settled a long time ago. They are now dependent, because that issue was settled and approved by the Congress itself. There will be a shortage of power in the Tennessee Valley because of the fact that atomic energy plants and other defense installations have taken so much electric power.

We are not engaged in firming up electricity because of that fact; but the TVA should not be penalized.

I hope very much that the Senate will agree to this amendment.

Mr. HILL. Mr. President, in his able address in behalf of the amendment the distinguished Senator from Tennessee said that, according to the estimates of the Tennessee Valley Authority, unless money is provided now for the construction of the plant to which reference has been made there will be a shortage in the Tennessee Valley in 1956 of approximately 156 thousand kilowatts of power.

As the Senator from Tennessee has emphasized, great steam plants can not be constructed over night. It takes 3 years from the time the building is started until there is a completed plant which will produce the necessary kilowatts of power.

So, Mr. President, if we are to have this plant and to have the power from it made available, if we are to avoid the shortage which the estimates of the TVA show we shall have in 1956, we must make available now the money for its construction.

In 1939 the Congress of the United States, in its wisdom, passed a law providing for the purchase of all facilities within the Tennessee Valley area owned and operated by private power companies. That act provided for the purchase of the Tennessee Electric Power

Company. So, after the passage of the act of 1939 and the purchase of the facilities of private power companies, the only generating and distributing system in all the Tennessee Valley was the Tennessee Valley Authority. That is the situation today. The only source of power in the entire Valley region is the Tennessee Valley Authority.

As was brought out by the Senator from Tennessee, when the Act was passed in 1939 and the facilities of the private power companies were purchased by the Government, there was what might be termed a gentleman's agreement entered into between the TVA, on the one hand, and the private power companies in the adjacent areas, on the other hand. Both the power companies and the Tennessee Valley Authority have scrupulously carried out the terms of the agreement. The TVA has stayed within the territory prescribed for it in the agreement.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. KEFAUVER. I have before me the hearings held by the House Military Affairs Committee with reference to the 1939 act, whereby the purchase of the properties was approved. The Senator said there was a tacit agreement between the TVA and the private power utilities in reference to the TVA furnishing power in this area. According to the hearings and the report of the House Committee, the tacit agreement included also the House Military Affairs Committee, the House of Representatives, and Congress itself.

Mr. HILL. The Senator is correct. Congress was a party. It approved the agreement, and really made itself a party to it. By the action of Congress, and by the agreement, TVA became the sole generator source of power within the Tennessee Valley area. Congress intended that within that area the Tennessee Valley Authority should be the sole and only generator source of electric energy.

The people of the Tennessee Valley have looked to TVA since 1939 as their one source of electric energy, just as today TVA is the only source of electric energy in the valley. Not only do the people look to the Tennessee Valley Authority, but the TVA, acting under the direction of Congress, as provided in the act to which the Senator from Tennessee has referred, and in carrying out provisions of the act, has entered into contracts with municipalities, farmer cooperatives, and distributors of power, to meet the power needs. As we know, most of the contracts are for a period of 20 years. So by the action of Congress, the people in that region have a right to expect that the Tennessee Valley Authority will fulfill their needs for power.

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

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

Mr. KEFAUVER. Is it not also true that cities and cooperatives distributing power have invested large sums of money in distributing systems?

Mr. HILL. Relying on the action of Congress, and on their right to obtain power from TVA, as provided by Congress, municipalities, rural cooperatives, and other distributors have made an investment of more than \$400 million in distribution systems.

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

Mr. HILL. In a moment. I wish to emphasize the fact that the Tennessee Valley Authority has sought to decentralize the distribution of its power, just as it has sought to decentralize many of its other activities, as I brought out earlier.

For example, the Tennessee Valley Authority does not carry power to individual homes or individual farms. It has contracts with some 150 distributors. The Tennessee Valley Authority makes direct sales to a few large industries, such as the Aluminum Company of America, but that practice has grown out of a situation in which the Tennessee Valley Authority found itself when it came into the valley. However, it has contracts with some 150 local distributors of all kinds. The distributors buy power from TVA, and, in turn, distribute the power over their own lines.

I now yield to my colleague, the junior Senator from Alabama.

Mr. SPARKMAN. I did not ask my colleague to yield for this purpose, but since he has spoken about individual distributors, I naturally thought of my own home town, which was one of the last to become a distributor following enactment of the measure we have been discussing. The city paid \$1,600,000 for a distributing system. Bonds were issued in the amount of \$1,750,000, extending over a period of 20 or 25 years. Since that time the city has added \$4 million to the distribution system. It has undertaken the distribution of power to a farming area through rural electrification, and has a 99 percent saturation in the service of the rural area. A week or so ago some 10 or 15 years ahead of time, the city paid off the last of its bonds. Consumers have been saved \$7 million. A half million dollars has been paid to the city in lieu of taxes.

That is one of the 150 distribution systems which have been distributing power, and it has a right to rely on TVA to continue to furnish power to meet the needs of the normal growth of that community, as has every other community, and also the rural population.

The amount of power consumed by the rural population is no small item. Practically every area in north Alabama served by TVA has reached a saturation point of 99 percent of service in the rural areas.

Mr. HILL. I wish to thank the junior Senator from Alabama for his contribution to this debate. In that connection, I call attention to the fact that we have now moved fully into what may be called the power age. Last year municipal cooperative systems distributing TVA power required for their customers three times as much electricity as during the last year of World War II. When I speak of cooperative systems, I mean farmers' cooperatives and the REA. Homes and farms of the region were using more than five times as much

electricity as they used in the last year of World War II. From 1945 to 1953, a period of 7 years, there has been this enormous increase in the use of power.

As the junior Senator from Alabama has illustrated, his lovely home city of Huntsville did not bring TVA into existence. Congress did that. Congress gave TVA a preemption of the territory, and made it the sole and only generator source of electricity there. In the act it passed Congress said to the people in so many words, "TVA will supply power. It is to TVA that you can look. It is to TVA that you must look for your power."

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

Mr. HILL. I yield.

Mr. SPARKMAN. We have been hearing much about the tacit agreement. I hope the senior Senator from Tennessee will listen to what I am about to say. I am referring to the tacit agreement in the law of 1939. It is true there is no provision written into the law that says, "Thou shalt not move into this territory." However, I sat through every single minute of the House hearings. I was a Member of the House and of the Committee on Military Affairs at the time of the hearings. As a matter of fact, I introduced the bill in the House. If today we were to read those hearings, we would find there was not much of anything that was tacit, so far as the hearings were concerned. If I remember correctly, even in the law itself the territory was outlined. Twelve counties in Alabama were named individually, one by one. Birmingham and Tarrant were named.

Mr. HILL. That is correct.

Mr. SPARKMAN. North Mississippi and all of Tennessee, with the exception of a little corner in the northeastern part of the State, were named.

While it was not provided that there should be no passing from one territory to another, the territory was outlined in the law, and certainly all the testimony and debate relating to it were to the effect that TVA thereafter would serve that territory, and that private power companies would serve the other territory.

By the way, that did not come as a suggestion from TVA. Mr. Wendell Willkie was the spokesman for the private power companies. He was president of Commonwealth & Southern at that time, a holding company for various power companies in that area. He was the one who suggested the drawing of the line. I believe it will be found that he advocated that it actually be written into the law.

Mr. HILL. He was at that time president of Commonwealth & Southern, which was the holding company of private power companies in Tennessee.

Mr. SPARKMAN. Tennessee Electric Power, Mississippi Power, and Alabama Power were the three companies which were involved. The suggestion as to the division of territory was made by Mr. Willkie. It was agreed to, and thereafter, in the area which was defined in the act, we had a right to expect that when we went to TVA we would find sufficient power to meet the needs of the average community in its normal growth.

Mr. HILL. The Senator is exactly correct. Unless we provide power for the normal growth of communities there, we put an economic lid on that area. We slap a ceiling down on it. We say, "There can be no further growth." The Senator knows that there can be no further growth today without electric power.

Mr. SPARKMAN. A little earlier reference was made to the fact that Mr. Barry, who today holds a position analogous to that once held by Mr. Willkie, in that he is the head of what is now Southern Power Co., instead of Commonwealth & Southern, testified in the hearing that that agreement had been lived up to meticulously.

Mr. HILL. Yes. He testified voluntarily and of his own free will that TVA, as well as the private power companies, has scrupulously adhered to that agreement. There had been no disposition or effort in any way on the part of TVA to extend its territory, and, by the same token, the private power companies have not sought to enter into TVA's territory.

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

Mr. HILL. I yield to my friend, the distinguished junior Senator from Tennessee.

Mr. GORE. I should like to point out that there is nothing whatsoever unusual about this kind of arrangement. The distribution of electricity is essentially monopolistic in its character, because the cost of distribution is so great that duplicating retail distribution systems would be utterly uneconomic. Does the distinguished senior Senator from Alabama know of any large compact areas or any large cities in America which are supplied by competing and duplicating electrical systems?

Mr. HILL. The Senator has well stated the case. The distribution of electricity today is a monopoly.

Mr. GORE. Whether public or private.

Mr. HILL. Whether it be a private monopoly or a public monopoly, it is nevertheless a monopoly. No public service commission today would think for a minute of permitting parallel lines of two separate companies. In its very nature the operation is per se, so to speak, a monopolistic enterprise.

Mr. GORE. Is not the same true of gas distribution?

Mr. HILL. The Senator is exactly right.

Mr. GORE. Those who would condemn the TVA as being a monopoly within a given service area must, by the same measurement, condemn the Arkansas Power & Light Co. and the Idaho Power & Light Co.; indeed, they must condemn not only all electrical utility systems, but gas systems as well.

Mr. HILL. The Senator is exactly right. I thank him for bringing out that point.

What I wish to emphasize is that unless we provide funds for the generation of power by the TVA, we shall strangle this area. We shall have failed to meet the Government's obligation to provide the power needed by the area, because surely there can be no economic growth or progress unless there be more and more power. The other day I saw some

figures showing that in more recent years the demand for power generally had doubled throughout the country every 10 years. The demand throughout the United States has increased in the same way it has increased in the Tennessee Valley. Unless we are to slap a ceiling on that area, we must provide this power.

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

Mr. HILL. I yield.

Mr. GORE. That ever-increasing demand for electricity would not indicate that the electric power industry is an unhealthy industry, would it?

Mr. HILL. Not only would it not indicate that it is an unhealthy industry, but, on the contrary, it would indicate that it is a healthy one. It would indicate a healthy condition in the country, and it would indicate the strength that is America.

Mr. GORE. And a profit.

Mr. HILL. So far as the private power companies are concerned, of course it would indicate a good profit for them. That is another thing to bear in mind when we speak of the power industry.

So far as the private power company is concerned, it is a cost-plus operation. Not only is it a cost-plus operation, but very rarely does any private power company ever try to amortize out or pay off its capital investment. It goes on year after year, with the consumers of power paying the interest rates on the capital invested, paying on the bonds and the preferred stock.

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

Mr. HILL. I yield to my friend from Tennessee.

Mr. KEFAUVER. Further substantiating the fact that Congress itself has approved the area within which people in the TVA area should look to it for power, the delineation of the territory is found in section 15 (c) of the TVA Act. That was the result of the hearings to which the Senator from Alabama [Mr. SPARKMAN] referred. A contract was made between Commonwealth & Southern and the TVA. As the Senator knows, section 15 (c) of the act provides for the issuance of bonds by the TVA in the amount of \$61,500,000.

Mr. HILL. That was to buy out the Tennessee Electric Power Co. and the Southern Tennessee Power Co., which were the two private power companies still operating at that time in the Tennessee Valley.

Mr. KEFAUVER. The Senator will note that in section 15 (c), subsection 2, of the act, specific counties in Alabama, North Carolina, and Mississippi are mentioned as TVA territory.

Mr. HILL. That is correct. The counties are set forth in subsection 2 of section 15 (c). They are Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar Counties in northern Alabama. There are also set forth counties in northern Mississippi. The Senator is exactly correct.

Mr. SPARKMAN. In further support of the necessity for carrying out that agreement, as everyone understood when

it was written into the act, the Senator knows that following that time various communities in Alabama—and I assume that is true in other areas too—tried to get TVA service.

Mr. HILL. That is correct.

Mr. SPARKMAN. They tried to get PWA loans to build their own distribution systems or buy out distribution systems and tie up with TVA. Without exception they were told that they could not do it because they were not in TVA territory.

Mr. HILL. That is correct. TVA territory was limited. It could not operate outside that territory; and since those communities were not in that territory, therefore they could not get the power. That is absolutely correct.

So we are dealing with a very limited area, but an area which for its power, and for meeting its power needs, is absolutely at the mercy of the Federal Government, through the TVA.

The distinguished Senator from Tennessee [Mr. KEFAUVER] in his speech referred to the TVA estimates, and I shall not impose upon the Senate to go into that question. However, I should like to have placed in the RECORD at this point a table which shows that every one of the TVA estimates from 1947 on down through 1952 which was used as the basis for the addition of any generating facility, or used as a basis for securing any funds to in any way enlarge its production of power or in any way enlarge its electrical plant, was less than what proved to be the actual demand.

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

TABLE III.—2- to 4-year advance estimates of demand on TVA system compared to actual demand and dependable capacity

Year	Advance estimate of peak demand	Actual demand	Dependable capacity ¹	Percent reserve
	Millions of kilowatts	Millions of kilowatts	Millions of kilowatts	
1947.....	1.8	2.2	2.2	0
1948.....	2.2	2.5	2.3	-8
1949.....	2.5	2.7	2.7	0
1950.....	2.7	3.2	2.9	-9
1951.....	2.9	3.8	3.5	-8
1952.....	3.5	4.2	4.4	5

¹ Includes firm purchases.

² Loads curtailed.

Sources: Federal Power Commission, FPC publication: Electric Power Statistics, TVA Statement June 30, 1953.

Mr. HILL. Mr. President, I shall not read the table, but it is a fact that each estimate was less than what proved to be the actual demand.

Of course, the allegation that TVA is always overestimating its needs is as old as TVA itself. I was a member of the House Committee on Military Affairs, and I remember the opposition of the private power companies, which reiterated over and over again that we were going to provide for a great deal of power for which there would be no need, and that a great deal of surplus of power would go to waste, because there would be no purchasers for it. I recall even as late as 1935 Mr. E. A. Yates, of the Commonwealth & Southern Co.—and that is one of the companies to

which we have been referring—who was one of the witnesses called by the Senate Committee on Appropriations, testified in 1935 that the area had "surplus capacity sufficient to provide for future growth for the next 6 years based on most optimistic estimates of service to rural, domestic, and industrial consumers."

In other words, they did not need anything in addition. That estimate proved all wrong. We went ahead. In spite of his estimate and his statement, we provided the money TVA said it needed, and every kilowatt of power for which we provided was needed, and every kilowatt was sold, and has brought its return to the Treasury of the United States.

The fact is that in all the 20 years TVA has been operative it has not built one plant, and it has not installed one unit in any one plant, for which there has not been a need and for which there has not been an immediate ready sale of the power generated by the facility or unit.

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

Mr. HILL. I yield.

Mr. GORE. Nor has there been one single year, despite the so-called unneeded construction, in which TVA has not bought power from surrounding utility companies.

Mr. HILL. The Senator is absolutely right. TVA has been forced every year to buy power from surrounding utilities, because it did not have sufficient power itself to meet the need. TVA has an astounding record of accuracy in its estimates, particularly when we remember that, for instance, the Edison Electric Institute in 12 successive semi-annual surveys, made during the past 6 years, has found it necessary every time to raise its long-range forecasts. I believe all of us consider the Westinghouse Co. as one of the most reliable and one of the most efficient electrical companies in the United States. Yet we find that they made an estimate in 1947 as to the power that would be needed in this country by 1957, and more power than they estimated would be needed in 1957 was actually needed as early as 1952.

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

Mr. HILL. I yield to my good friend from Tennessee.

Mr. KEFAUVER. On page 265 of the hearings there will be found a statement by Mr. Wilson, the president of the Mississippi Power & Light Co. He was asked the question as to what he thought about the power system manager of TVA, Mr. Wessenauer. He said, "I have a very high regard and high respect for him." I quote from the testimony at page 265:

Senator HILL. Do you think he is an able power system manager?

Mr. WILSON. I have a very high regard and high respect for him.

Senator HILL. Do you think he is as capable as most power system managers in estimating power requirements?

Mr. WILSON. I think he is a very capable man; yes, sir.

Mr. HILL. The Senator from Tennessee knows that practically every wit-

ness who appeared before the committee representing private power companies was asked that same question by me, and each of the heads of the big power companies testified that way about Mr. Wessenauer's capabilities, and the fact that he was safe and sane on estimates. Is that not correct?

Mr. KEFAUVER. That is correct. I think some of the witnesses testified that a person in the Valley as capable as Mr. Wessenauer is, would be in a better position to estimate the needs of the Valley than someone else on the outside.

Mr. HILL. That was the next point I was going to make, Mr. President. The private power company officials stated that a man so capable in his estimations was better able to make estimates on his own system than would be some outsider who has no connection and no association or relation with that system. He lives with his problem every day. He is there day after day. He knows his system. He knows the needs of his system. He knows the problems of his system. Of course, he is the most qualified man to make the estimates, instead of someone from the outside, who knows nothing about the system. The doctor who examines thoroughly a patient is certainly in a much better position to diagnose the patient's ailment than one who has never seen the patient.

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

Mr. HILL. I am glad to yield to my friend from Tennessee.

Mr. GORE. Did not the private-power spokesmen also testify that because of the growing demands on their own facilities, as well as the growing demands on the facilities of TVA, they, the private-power companies, had annually purchased power from TVA, just as TVA had annually purchased power from them, and the relations between them from a business as well as a personal standpoint had been highly satisfactory?

Mr. HILL. They certainly did say that. And they said that that was one of the main bases for the high esteem in which they held Mr. Wessenauer. They dealt with him and came to know him, and they were in a position to pass upon his capabilities.

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

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was just reading the hearings held in 1939 by the House Committee on Military Affairs on the act that has been referred to, and I ran across a statement by Mr. Wendell Willkie. I think that if a man knew the power industry, certainly in our area of the country, Mr. Willkie knew it. A question was asked him as to what his estimate was of the ability of TVA to furnish power to an area.

He said:

Well, sir, you see that depends. I do not want to enter into a dispute about that. No man can say exactly about those things. As I said to a group of our engineers the other day, "Every one of you has drawn power charts for me over the period of the last several years, and every one of them has been wrong." They are at most educated guesses. You may say the increase is going to be 10 percent next year and 10 percent

the year after that and 10 percent the next year. They are just using a sharp pencil. Like the old saying, "Give me two suppositions, and I will prove that I am a brother of Julius Caesar."

Mr. HILL. That was a very good way of putting it. We all know what an outstanding authority he was on power, as well as on many other subjects.

Mr. SPARKMAN. Is it not correct to say that in the present hearings some of the private-power people testified that a 10-percent margin estimation was very good?

Mr. HILL. That is correct. They certainly did.

(At this point Mr. HILL yielded to Mr. MORSE for the purpose of making a statement on the legislative program, which, by unanimous consent, was ordered to be printed at the conclusion of Mr. HILL'S speech.)

Mr. HILL. Mr. President, I wish to address myself for a few minutes to the subject of steam power and hydroelectric power. As the Senator from Tennessee has pointed out, the construction of so many steam plants for the generation of electric power has been required by the power demands of the Atomic Energy Commission and the various defense industries. It might be said that the Atomic Energy Commission has a gargantuan appetite. Nothing else known to man requires so much power as does the production of atomic bombs.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HILL. I yield.

Mr. KEFAUVER. I understand—and I think the information to which I shall refer has been published, and thus is not restricted—that a single one of the several plants at Oak Ridge uses more electricity than the total amount of electricity used by the entire city of Detroit, with all its industries. In that connection, we must recall that there are several plants at Oak Ridge. That illustrates the great drain made by those plants upon the production of electric energy.

Mr. HILL. Yes. As a matter of fact, I understand that one of those plants uses more electric power than the total amount used in the entire city of New York. Although Detroit and New York use tremendous amounts of electric power, yet neither one of those vast cities uses as much electric power as the amount used by only one of the units of the Atomic Energy Commission.

Mr. President, on December 31, 1950, steam-plant-generated electric power constituted 14.6 percent of all the electrical power of the TVA system. That was a very small percentage. I doubt that any great power system in the United States today has so small a percentage of steam-plant-generated electric power.

On December 31, 1951, the percentage, in the case of steam-plant-generated power, was 18.9 percent of the total amount of power of the Tennessee Valley Authority system. On December 31, 1952, it was 29.6 percent. The esti-

mate is that on December 31, 1953, it will be 40.9 percent; on December 31, 1954, 55.2 percent; on December 31, 1955, 62.2 percent; and on December 31, 1956, 63.2 percent.

As the Senator from Tennessee has said, because of the tremendous amount of electrical energy used at Oak Ridge and at the new Paducah atomic-energy plant, the Tennessee Valley Authority is providing 62 percent of the power for the great atomic-energy plant at Paducah, whereas the private power companies are providing only approximately 38 percent. As Mr. Clapp testified before the Senate Appropriations Committee, the Atomic Energy Commission uses half of all that power.

Mr. President, in connection with the figures I have submitted regarding the use of steam plant generated electric power in connection with the Tennessee Valley Authority system, I ask unanimous consent to have printed at this point in the RECORD a brief tabulation on that subject.

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

<i>Steam power on the TVA system</i>		
		<i>Percent steam</i>
Steam capacity (kilowatts), as of Dec. 31:		
1941, 226,920	-----	21.3
1945, 450,400	-----	17.8
1950, 440,050 ¹	-----	14.6
1951, 669,050	-----	18.9
1952, 1,341,550	-----	29.6
1953, 2,376,550 ²	-----	40.9
1954, 4,311,550 ²	-----	55.2
1955, 5,886,550 ²	-----	62.2
1956, 6,291,550 ²	-----	63.2

¹ In this and previous year obsolete small steam units were retired.

² Estimated.

Mr. HILL. As we know, Mr. President, there are many other defense installations in that area—such as the aircraft center at Tullahoma, Tenn., the ordnance plant at Huntsville, Ala., and the chemical and metallurgical plants that are tied in with those defense activities. Many of those defense plants consume vast quantities of electric power. It was in the interest of the United States Government to locate the atomic-energy plants at Oak Ridge and at Paducah, not only because of geographical considerations, but also because there is an adequate supply of water there and an adequate supply of electric power. Of course, those plants use vast quantities of water, as well as vast amounts of electricity.

The United States Government has saved millions of dollars from the Tennessee Valley Authority alone. The Senator from Tennessee has pointed out that an increase of 1 mill in the rate for power would, in view of the tremendous amount of power used by the Atomic Energy Commission, cost the Federal Government \$50 million. Furthermore, by establishing the plants in that area, not only was the Federal Government able to save millions of dollars on its power bill, but cheap power from the TVA plants acted as a yardstick, and resulted in the establishment of cheaper rates for the power provided by the private companies.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me at this point?

Mr. HILL. I yield.

Mr. KEFAUVER. Is it not true that the low-cost electric power furnished by the TVA to the plants at Oak Ridge and Paducah has been substantially instrumental in enabling the Atomic Energy Commission to obtain a fairly low rate for electric power at Portsmouth, Ohio, with the result that the Government has been able to save a great deal of money?

Mr. HILL. There can be no doubt of that. As a result of both those factors, the Government has been able to save millions upon millions of dollars, and the savings will continue in the future.

Some persons ask why the TVA does not buy power from private power companies in the surrounding areas. Of course, one reason is that most of those companies are off to one side. Furthermore, we know the feeling of the private power companies for the TVA. To require the TVA to depend upon private power companies would be somewhat similar to putting a lamb into a cage with a lion, or putting Little Red Riding Hood in bed with the wolf. If there is one thing the private power companies would like to do, it is to destroy the TVA, because they wish to destroy the yardstick the TVA provides, which is of such great benefit to the American people.

Mr. KEFAUVER. Mr. President, can the Senator from Alabama think of any more effective way to destroy the TVA than to make it dependent upon, and at the mercy of, the private power companies?

Mr. HILL. I cannot. Earlier the Senator from Tennessee referred to the Mississippi Power Co. Of course, it is a Mississippi institution and naturally its first interest is in—as it should be—the people of the State of Mississippi. That company would therefore quite naturally give the first call on its power to the Mississippi consumers, not to the TVA.

I think we can readily realize that if an effort were made on the part of the company not to give the preference to the consumers in Mississippi, it would be found that the Mississippi Public Service Commission would intervene and would make the power company do so.

Of course, we can well appreciate that it would only be reasonable if there were power that cost more and power that cost less, their own consumers within the State of Mississippi would get the cheaper power, forcing the TVA to buy its power at a higher cost.

Much depends upon what may be called the economic location of the plants, having them located properly from a geographic standpoint so far as the power load is concerned. It is of course true that a location away off on the edge of a great area or region would not be an economic location and that a plant so situated, operating at a remote distance, would incur all kinds of additional costs, such as the additional costs resulting from losses in the transmission of power, and from the heavy additional cost of constructing transmission lines for the purpose of transmitting the power.

As the Senator from Tennessee brought out—and I think I asked him a question about it—with all the gestures about selling power to TVA, no company ever said, "We will sell power to the TVA for so much per kilowatt." No company ever offered to supply power at a definite price. Of course, an offer without a price means nothing. It is no offer at all. Price is a very essential ingredient in the making of a contract.

I call attention to the fact that a nationally known Mississippian, Mr. R. B. Wilson, has said that his price would be about 50 percent higher than the cost of power generated and sold by TVA.

Mr. President, I thought that one distinguished witness put the matter very aptly when, in reply to a question, he asked, "Why make the Tennessee Valley area a colonial region, why make it a colonial dependency, forced to subsist on the marginal high-cost power of private companies whose own consumers will hate us for milking their electrical cow through the State fence?"

No, Mr. President, to force the people of the Tennessee Valley to rely upon private power companies outside the Tennessee Valley for their power would have the effect of destroying TVA, and the people of that area would be placed entirely at the mercy of the private power companies. On the day that is done the people of the Tennessee Valley will be forced to pay a higher price for power than the price paid by consumers in the surrounding areas.

Let us not forget that the Tennessee Valley Authority has returned to the Federal Treasury 5 percent on investments made by the Government in power facilities, and that under the law as it stands today the Tennessee Valley Authority is required to pay back, over a period of 40 years, every Federal dollar that goes into the Tennessee Valley project. As I have said, that is an entirely different situation from that which pertains to the private power companies, certainly none of which, to my knowledge, has ever made an attempt to amortize its indebtedness or to pay its indebtedness. The consumers pay on those investments year after year, and no attempt is ever made to amortize them.

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

Mr. HILL. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Does it not seem to be a contradiction for the Congress to take the position that the TVA must return the investment it represents within 40 years and at the same time to say that the TVA must reduce its earnings by being required to buy high-priced, premium power from utilities far away from the TVA area?

Mr. HILL. That does seem to be true, for the reason that not only must the people within that area, under the law, pay back every dollar the Federal Government has invested in power facilities there but also, after every dollar has been paid back, the Federal Government will own all those facilities in fee simple. The people are paying back the investment, with 5 percent interest, with amortization of the full cost. It is a fact that the general situation within that area has been good. We have had plenty of

water, and we have had cheap coal along with the abundant supply of water. A waterway has been developed to provide cheap transportation, and there have been various factors which have made it possible for the TVA to operate with economy and efficiency.

In that connection I may say that the TVA has spent outside the valley most of the money it has invested in plants, facilities, and various improvements. More than \$650 million has been spent in other States of the United States, while the people of the Tennessee Valley have themselves sent out of that valley approximately \$1 billion for the purchase of electrical equipment and supplies of all kinds for use in the home, on the farm, and in the industries and businesses within the valley. So, Mr. President, we are confronted with the proposition that we must provide power if we are not to put chains on the future growth and future progress of that region.

We cannot weaken that area without weakening the whole United States. A chain is no stronger than its weakest link. We cannot forget that the Tennessee Valley is the center of great production for our defense, a great arsenal for defense, a great citadel of defense, with its atomic energy production, its aluminum production, its metallurgical production, its production of many important articles which made us strong in World War II and which contributed so much to the winning of that war. The TVA stands there today, Mr. President, as a tower of strength for America, so that America may be the better able to defend herself and we may keep America free.

LEGISLATIVE PROGRAM

During the delivery of Mr. HILL'S speech,

Mr. MORSE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. MORSE. Mr. President, I ask the Senator to yield with the understanding that my brief interruption will follow his remarks in the RECORD.

I should like to announce that the majority leader and I have entered into a gentleman's understanding, or cooperative arrangement, it might be called, that the Independent Party will postpone until tomorrow morning at 11:30 o'clock its weekly report for this week, in spite of the fact that today is Friday. In keeping with my great desire always to cooperate in such a matter and also in recognition of the fact that if the Senate concludes its consideration of the pending bill by 7 or 7:30 o'clock, other business will follow so that it would probably be 8 or 9 o'clock before I could begin my remarks, I think it would be unfair to the staff of the Senate, as well as to my colleagues, to make my speech tonight. So I will speak tomorrow, if convenient to the Senate—and the acting majority leader thinks it will be—at 11:30 a. m.

I wish to thank the acting majority leader for his cooperation regarding this matter.

I wish to say to the press that in view of the fact that copies of my speech were

made available this afternoon to the press, although I do not expect very much comment upon it, anyway, from the press, nevertheless if any of the press decide to comment on the speech, I hope they will withhold the comments until tomorrow.

Mr. KNOWLAND. Mr. President, I appreciate the action of the Senator from Oregon.

When we complete action on the second independent offices appropriation bill, on which we have been working all day today, it is planned to consider five bills which I believe are relatively non-controversial in character, and about which I earlier gave notice to the minority leader and also to the Senate as a whole. When we dispose of those bills, it will be my purpose to move that the Senate take a recess until 11 o'clock tomorrow morning.

On tomorrow, after a morning hour, I expect the Senator from Oregon will have an opportunity to make his remarks.

The Republicans have a luncheon engagement tomorrow. It will take about an hour's time. Then we shall proceed with the legislative program.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it take a recess until 11 o'clock tomorrow morning.

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

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. GORE. Mr. President, my senior colleague from Tennessee, the senior Senator from Alabama, together with Senators from several States, have so thoroughly covered this subject that the door for discussion is limited for me unless I want to indulge in repetition, which I do not desire to do at this late hour.

Mr. President, just as the door for further discussion without repetition has been closed by the able debate of the day, so have many questions regarding the TVA been closed, some of them long before the junior Senator from Tennessee came to Washington even as a Member of the House of Representatives.

When I hear TVA condemned, I notice it is invariably condemned because it has been a success.

The arguments against the TVA are largely arguments that the Government of the United States should not be in the power business.

Mr. President, that is one of the doors that was closed long ago. Whether we like it or not, the Government is in the power business. We are here representing the stockholders of one of the largest and most successful integrated electric utility systems in the world.

I do not want to approach this question in any spirit of politics. I will say to the distinguished acting majority leader, for whom I have come to have an exceedingly high respect and a very warm personal regard, that I do not consider the bill before the Senate as an anti-TVA bill. In many respects the bill deals generously with the TVA and the TVA region. I do not think enough credence has been given to the estimates of the TVA officials and experts with respect to the power needs for the future, but let me point out, in fairness, that the denial of funds for the Fulton steam plant is based upon one reason only, namely, that the TVA has overestimated its future power demands.

Mr. President, I think President Eisenhower made an unfortunate, unwise statement when he referred to the TVA as "creeping socialism." Perhaps, though I do not know, he would prefer that he had not made that statement. I would prefer that he had not made it. But let the record show that, thus far, his acts toward TVA have been more generous than were his words. There is a large TVA budget now pending.

I want to discuss the subject from a businesslike standpoint, just as the distinguished Senator from Kansas, a former great Governor of that great State, would approach the problem were he on the board of directors of an electric-utility company serving this area. Indeed, are we not, so to speak, on the board of directors? How would we approach the question if TVA were a private-utility system instead of a public one and we were representing the private stockholders?

I think we have a good example which I can cite. Mr. James M. Barry, to whom reference has already been made in the debate, is chairman of the executive committee of the Southern Co., a holding company holding several electric-utility systems. On page 287 of the hearings he said:

We are constantly seeking new customers on a sound business basis.

Let me repeat that, Mr. President. I appreciate the presence of the distinguished, able, and esteemed senior Senator from Virginia [Mr. BYRD], who is himself a very successful businessman. Let me quote to him with emphasis another successful businessman who is in the utility business. He said:

We are constantly seeking new customers on a sound business basis.

As a small-business man I can say the same thing. That is what businessmen do in Tennessee and every other State. But here is a big business, TVA, owned by the people whom we represent. How shall we measure its expansion? How shall we conduct its business, which is owned by the people whom we represent? By this yardstick—a businesslike basis? I have heard it said that we have a businessman national administration. I sug-

gest that this businessman national administration and this Congress treat the problems of TVA, its electrical generation and distribution problems, in a businesslike manner. We ask no more; we ask no less, we, the people, served by the TVA.

In that respect, we are in no different position from that of the people served by any other electric utility system. As I said earlier in the debate, an electric utility system is essentially monopolistic, whether privately owned or publicly owned. How and why is it that every State in the Union has a utility commission in some form? It is to regulate the competition of competing utilities, yes, but it is also intended to guarantee to people who are served by the utility systems that their legitimate needs will be served.

The TVA is not subject to the regulation of a State utility system. The people who are served by TVA submit to Congress their power needs, and, of course, they are hopeful that their growing demands will be met, just as the growing demands of people in other regions are met by an expansion of electric generating facilities.

The public debt of the Federal Government has assumed such vast proportions that its very existence acts to influence in large measure all activities in which the Government participates, and, indeed, our entire national economy. It is entirely proper that Congress, as well as the executive branch of the Government, should carefully consider the effect of any proposed expenditure upon the total of the public debt, which has now reached some 267 billions of dollars.

However, it seems to me, that there is a tendency on the part of the executive and legislative branches of the Government to oversimplify the net budgetary effect on the public debt which may result from specific appropriations.

When the Federal Government first came into existence, the scope of its fiscal activities was comparatively limited. It was found most practical for the Treasury to keep its books strictly on a cash basis. All moneys expended for whatever purpose were charged as expenditures during the fiscal year in which made. Likewise, all receipts of the Federal Government from whatever source were credited as receipts during the year in which they were received.

Today, despite the fact that the activities of our Federal Government have been so expanded as to involve the most complex fiscal transactions of any agency in the world, either public or private, we still follow basically the same accounting procedures. Our Federal budget is prepared so as to reflect total expenditures and total receipts during the particular accounting period or fiscal year. It is necessary to examine in detail the fine print in the prepared budget to determine which proposed expenditures are for normal operating expenses, as contrasted with expenditures that are made to promote projects of a more durable nature.

Private business long since has ceased keeping its accounts so as to reflect merely cash outlays and cash receipts. A careful distinction is made between op-

erating expenditures, chargeable to the current accounting period, and capital outlays, the cost of which will be recovered or amortized over an extended period of time equal to the expected life of the particular asset being acquired. If a private business corporation during a fiscal year expends \$1 million to expand its plant, its owners certainly do not consider that they have lost money if their profits during the year amount to only \$500,000, thereby creating a "cash" deficit of \$500,000.

Much has been said recently about operating the Federal Government on a businesslike basis. It was urged by members of the new administration when seeking office that such was one of their primary goals in the event the electorate provided them with the opportunity to do so. As a matter of fact, the present administration has been often referred to as "the business administration."

It seems to me that one of the first steps in placing our Government on a businesslike basis would be to institute such reforms in our accounting and budgetary practices as would be necessary to reflect more clearly and more accurately the present status of the Government with respect to fiscal matters and to reflect more clearly the actual results of each year's operations from a business point of view.

An analysis of Federal expenditures indicates that all such expenditures fall broadly into two general categories. The first category includes those expenditures which might appropriately be called the normal operating expenses of the Government. These include funds necessary to operate the executive, legislative, and judicial branches of the Government, the expenditures for national security, expenditures for the Veterans' Administration, interest on the public debt, and similar items.

It can easily be seen that expenditures in the foregoing category, particularly as they include the vast amounts expended for national security, constitute the bulk of the actual cash outlays made during the current period.

However, in addition to what might be called normal operating expenses, the Government annually expends substantial amounts to promote projects which are of a more permanent nature and which correspond to capital outlays by a private concern. Such capital outlays for the Federal Government may themselves be divided, roughly, into two groups. On the one hand, there are expenditures which are self-liquidating in the sense that the amount so expended will ultimately be returned directly to the Federal Government in dollars. These self-liquidating expenditures may properly be called an investment by the Federal Government in the strict sense of that word. First, I refer to investments in the nature of recoverable loans and investments in subsidiary corporations. Secondly, I refer to self-liquidating public projects such as hydroelectric dams, the cost of which is returned to the Federal Government, in whole or in part, over a period of years.

A second group of so-called capital outlays made by the Federal Government is comprised of expenditures made

for the construction of public projects which have a more or less permanent value, but whose cost is not directly refunded to the Treasury. Examples of such expenditures are those made for the construction of public highways, for navigation and flood control, for public buildings, and for grants to public bodies. Such expenditures can be said to be investments only in the sense that they add to our national wealth in the broad sense of that term. It is true that such projects contribute to an increase in national income, which results in an indirect increase in the Government's revenue through taxation. However, they cannot be considered as an investment in the sense that the cost of such projects, after construction, are amortized by direct refund to the Federal Treasury.

As I have previously indicated, the Federal budget makes no clear distinction between the two broad categories referred to above. If total expenditures during any fiscal year exceed total receipts during any fiscal year, the budget is said to be unbalanced, regardless of the nature of the expenditures made and regardless of the source of the receipts. The result is known as "deficit financing."

The concept of a double budget for the Federal Government—an expenditure and an investment budget—has been suggested or advocated for a number of years. The idea was considered rather seriously during the administration of Woodrow Wilson. In his message accompanying the budget for the fiscal year 1940, President Roosevelt discussed the various types of Federal expenditures and presented figures indicating that portion of the then existing deficit which resulted from so-called capital expenditures, both those which were self-liquidating in character and those which were investments only in the sense that they contributed to the national wealth and were durable in nature. Both prior to and since that time, numerous articles have been published by accountants and students of government pointing out both the advantages and the disadvantages of such a concept of budget accounting.

The Government of Sweden during the 1930's inaugurated a double budget system by which all capital outlays including both those which were truly investments, as well as expenditures for other projects not directly self-liquidating, such as Government housing, are segregated into a "capital budget." All items in the capital budget are financed by borrowing. For those items in the capital budget which are not truly self-liquidating projects, an amount equal to a yearly amortization charge is included in the current or "operating" budget.

The Hoover Commission in its report on budgeting and accounting recommended that "the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlay."

These two types of expenditures—

Stated the Commission—

are essentially different in character and should, therefore, be shown separately under

each major function or activity of the budget.

The budget as currently presented, does, within the separate segments thereof, indicate to some extent whether a proposed expenditure is for current operations or for capital outlay, but no overall segregation on a Government-wide basis is clearly set forth.

I do not mean to suggest that a division of our budget into two or more categories will act to wipe out the public debt. Regardless of what system is used, any excess of expenditures over receipts must be financed by borrowing.

It does appear to me, however, that Congress could act much more intelligently in placing an overall limit upon Government expenditures if a clearer picture as to the nature of such proposed expenditures were presented. Perhaps some would be slower to pronounce the United States bankrupt.

Nor do I suggest or imply that the establishment of such a double budget does not present many problems. A major problem would involve the determination of what items should go into the operating budget and which should go into the capital budget. The Government of France has demonstrated that failure to control such distinctions rigidly, and failure to make allocations on a realistic basis, will only intensify the evils that a double budget system is designed to rectify. Indiscriminate inclusion of an item as a capital outlay merely because such an item could not be justified as a current expenditure is certainly fallacious. There is always a danger of an increased tendency to delay the "day of reckoning" by designating items as a capital expenditure when they should, in fact, be charged as a current operating expense.

I do suggest, however, that there would be many advantages incident to the establishment of a separate budget for items which are truly liquidating in character. Sums which are advanced by the Federal Government in the form of recoverable loans, as well as investments in subsidiary Government corporations, truly represent assets of the Federal Government, which can be liquidated for dollars to be refunded to the Federal Treasury. The same can be said for expenditures or investments in other Government projects such as those for the generation of electrical power and others, the cost of which will be restored in full by direct payment into the Federal Treasury.

If these items were segregated into what might be termed an "investment" budget, the total of such items included therein could stand on their own feet, so to speak. I believe TVA steam-generating plants should be so considered. Congress would be provided with a clearer picture of the truly business aspects of the TVA investment.

The subject is particularly applicable to the question before the Senate today. We are considering appropriations for the continued operation of the TVA. The entire amount made available to this agency could well be said to fall within the broad category of capital outlay in the sense that the expenditure of such sums will increase our national wealth

and by increasing the level of economic activity of the people of my State and my region, will result indirectly in greater revenues for the Federal Government by various types of taxation. To carry the distinction further, however, and upon a somewhat more realistic basis, I should like to point out that that portion of the appropriation made available for the Tennessee Valley Authority which are allocated for power operations are entirely self-liquidating in nature and can rightfully be termed an investment in the true sense of that word. If not by this means, then by some other the TVA generating expansion must be considered as an investment instead of a current expenditure.

Some of those who oppose the appropriation of sufficient funds for the effective and economical operation of the TVA base their opposition on the ground that such expenditures should not properly be made by the Federal Government. I recognize the right of my colleagues to take such a position, nor do I doubt the sincerity of their views. I say in all seriousness, however, that the propriety of such expenditures is a matter that has previously been determined by this body.

On the other hand, many who oppose a realistic appropriation for the creation of an adequate power potential by the TVA base their opposition solely on the grounds that such expenditures cannot be made because funds may not be available therefor from current receipts of the Government. Such a philosophy and such a position ignore the fact that the people of the United States, whom we represent, do own a good, successful, profitable electric-utility system. As has been said earlier, this came about by act of Congress. Then, in 1948, while I was serving on the House Committee on Appropriations, together with the distinguished senior Senator from South Dakota [Mr. CASE], who honors me with his attention, a provision was adopted by the subcommittee of which I was a member, and with my support became law over the opposition of many ardent TVA supporters, requiring the amortization of all TVA electric generating projects in 40 years.

The act of 1948 specifically requires that all funds appropriated for power operation for TVA be refunded to the Federal Treasury within this stated period of time. Evidence presented to the hearings indicates that the schedule of payments by the TVA has not only been met, but that it has been exceeded. The power operations of this agency have been profitable to the Government in the same sense that a private concern is profitable to its owners, when its revenues exceed its expenditures, plus a charge for amortization of its fiscal assets.

Let me point out that we stand in good comparison, because when the steam plants now under construction, and for which money is being appropriated in the bill before us, are amortized they will belong to the Government of the United States, to the people whom we represent—all the people. Though they are amortized in 40 years, their earning period of life is estimated to be from 100 to 200 years. Contrast that

with the reclamation districts of the West, which I have always supported. In the case of the reclamation districts of the West, the amortization period is 40 years, but after the projects are amortized they belong to the people of the reclamation districts. Contrast that with the example of TVA.

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

Mr. GORE. I am glad to yield.

Mr. KEFAUVER. I was very much interested in the suggestion of the Senator that this should be treated as a capital investment, which in its entirety will be returned to the Government with good earnings. But will not the Government be gaining something else by making this capital investment? As a result of it will not the Government gain the income from the increased business which will be developed in the Tennessee Valley area, particularly in the Memphis area, whereas if the Government does not make the investment, there will be a depressed return by virtue of the fact that there will not be sufficient power for the farmers and for industry to carry on?

Mr. GORE. I agree with the implication of the question of my distinguished colleague from Tennessee. The answer is in the affirmative. The same can be said, however, for the construction of a bridge or for the construction of highways. I was trying to draw a clearer, sharper line of demarcation. Therefore I emphasized the self-liquidating character of this particular kind of investment. I agree with the Senator that, as the region develops, the whole country benefits. Were that not true, we would not have had an accelerating national income almost since the country began.

Mr. KEFAUVER. It is certainly not going to be healthy for the country as a whole to have an enforced power shortage on the people of the Tennessee Valley in 1956.

Mr. GORE. I agree with that statement and appreciate the contribution. If we, who represent here tonight the owners of this utility system, will treat this business operation in a business-like way, and measure it by the yardstick of successful businessmen, we will supply generating capacity to meet the reasonable demands of the people who are our customers, the customers of this system, which is owned by the people whom we represent.

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

Mr. GORE. I yield.

Mr. CASE. I should like to say that whatever the decision of the Senate may be as to the pending amendment relating to additional steam plants, the Senator from Tennessee is correct in saying that he took the leadership in seeing that the cost of such plants as were being appropriated for back in 1938 and immediately subsequent years was amortized. It certainly improved the standing of the whole Tennessee Valley project before the Congress.

However, I wish to point out, with respect to what the Senator said about

reclamation projects in the West, that, while the irrigation projects generally do become the property of the districts, I do not believe the power projects in the West become the property of the local districts. Most of the power projects, of course, are developed by the Army engineers, and there is a continuous sale feature in that connection. Nevertheless, the irrigation projects do become the property of the districts.

Mr. GORE. I appreciate the distinction pointed out by my able colleague. I intended to refer, and believe I did refer, specifically to reclamation districts. I hope no one will think that I intended criticism. I was trying to exemplify what I think is a sound business proposition with respect to TVA.

The TVA dams are a part of the hillsides and mountains themselves. They will stand for perhaps centuries. Today I was happy to see the Senate—and I appreciate the generous attitude of the able

SCHEDULE C-1.—Repayment of investment in power program under provisions of the Government Corporations Appropriation Act, 1948

Fiscal year	Minimum repayments required under 1948 law		1/40th of plant investment at end of previous year		Actual and budgeted payments ¹	
	Year	Total period	Year	Total period	Year	Total period
1948.....	\$10,500,000	\$10,500,000	-----	-----	\$10,500,000	\$10,500,000
1949.....	2,500,000	13,000,000	\$8,705,981	\$8,705,981	5,500,000	16,000,000
1950.....	2,500,000	15,500,000	8,705,981	17,411,962	5,500,000	21,500,000
1951.....	2,500,000	18,000,000	9,149,627	26,561,589	9,000,000	30,500,000
1952.....	2,500,000	20,500,000	9,733,970	36,295,559	12,000,000	42,500,000
1953.....	2,500,000	23,000,000	12,256,316	48,551,875	² 15,000,000	² 57,500,000
1954.....	2,500,000	25,500,000	³ 18,148,125	³ 66,700,000	² 20,000,000	² 77,500,000
1958.....	-----	87,059,810	-----	-----	-----	-----
1968.....	-----	174,119,620	-----	-----	-----	-----
1978.....	-----	261,179,430	-----	-----	-----	-----
1988.....	-----	348,239,240	-----	-----	-----	-----
1990.....	-----	365,985,080	-----	-----	-----	-----
1991.....	-----	389,358,811	-----	-----	-----	-----
1992.....	-----	490,252,655	-----	-----	-----	-----
1993.....	-----	³ 725,925,000	-----	-----	-----	-----
1994.....	-----	³ 936,400,000	-----	-----	-----	-----
1995.....	-----	³ 1,319,500,000	-----	-----	-----	-----
1996.....	-----	³ 1,514,100,000	-----	-----	-----	-----
1997.....	-----	³ 1,640,000,000	-----	-----	-----	-----

¹ In addition to repayments under the provisions of the Government Corporations Appropriation Act, 1948, bond redemptions of \$8,572,500 and other repayments of \$15,059,019 were made prior to fiscal year 1948.

² Budgeted payments. In 1951 and 1952 budgeted payments were \$6,500,000 and \$9,000,000, respectively in all other years actual payments and budgeted payments were identical.

³ Estimated.

Mr. GORE. Mr. President, I appreciate the attention of the Senate at this late hour. The estimates of future need have already been inserted in the Record. I shall not cite them in detail.

We come as representatives of the people of that area, seeking no aims. We do not feel that we must come hat in hand to the floor of the United States Senate. We ask only that this business, which the people whom we represent own, be allowed to conduct its affairs in the same way as a privately owned utility system would treat its service area, by supplying the legitimate needs of the area, for which the users of the service will pay. We are paying. We are willing to pay power rates sufficiently high to repay every project built in that area. If the rates presently being charged are not sufficient to do that, I say, upon my responsibility as a representative of the 3½ million of those people, that we are willing to have rates set at such levels as to make the projects amortizable within the period. We believe that is the case now.

Mr. STENNIS. Mr. President, soon after I came to the Senate, in 1947, a vote was had on the question of starting

Senator in charge of the bill [Mr. SALTONSTALL]—restore resource-development funds. Unless we prevent the soil from washing down from the hillsides, the reservoirs will be silted full, impairing these investments.

I should like to speak at greater length. Like my distinguished colleague, the senior Senator from Alabama [Mr. HILL], if I am given the subject of TVA I can play almost an unending tune. However, realizing the lateness of the hour, and not desiring to be repetitious, I should like to conclude my remarks by placing in the Record at this point a table to be found on page 37 of the House hearings, which shows how the TVA has met the requirements of amortization.

I ask unanimous consent to have the entire table printed in the Record at this point as a part of my remarks.

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

what was called the New Johnsonville steam plant in the Tennessee Valley Authority area and under the jurisdiction of TVA. There was a sincere difference of opinion on that question, and the bill was defeated by a close vote. A few months or perhaps a year afterward the bill came before the Senate again, and at that time it passed by a small vote. The plant was built.

Tonight, Mr. President, if the New Johnsonville steam plant were not in operation there would not be sufficient electricity to supply the atomic bomb and other defense plants and the other industries in that area. There would be an actual and substantial shortage of power in the Tennessee Valley area including 35 of the 82 counties of Mississippi, which are served by TVA.

It takes 3 years to build such a plant. Of course, a question of judgment is involved, a question of the judgment of the engineers and a question of our judgment, as to whether we had better go ahead and start the plant. The need is there, and there is no likelihood of its being decreased. In an expanding economy the great chances are that the need will be increased.

Since becoming a member of the Committee on Public Works I have been impressed with the fact that, although some areas, particularly the Columbia River Valley in the great Northwest, do not have any coal, gas, oil, or any of the other natural resources, they do have a power potential, which, when it is fully developed, will be 10 times that of the Tennessee Valley. The power developed in the entire Tennessee Valley will be only 10 percent of the power which the Columbia River Valley will be able to develop. The dams in that valley will be large, and very expensive to construct. It is beyond the reach of private enterprise to provide sufficient money to harness that vast power. I believe that in an orderly process it will be harnessed, and that the Federal Government, which already has expended a great deal of money on projects there, and which no doubt will expend much more, will ultimately find that it has made a splendid investment, and the money will be recouped.

The other area with which, as a member of the Committee on Public Works, I have been impressed is that of the Niagara River, a project for which will be before the committee beginning next week. We will have to make a choice. If I become convinced that the choice should be a bill providing for private enterprise alone to develop the power there, that is the bill for which I shall vote. If I become convinced, on the other hand, that the area is like that of the Columbia River Valley, and requires some State or Federal assistance, I shall vote for that kind of development.

My point is that some areas do require Federal development. The Tennessee Valley area is one of them, and with respect to it the decision has already been made, and operations have been under way for a considerable period. The private companies in 35 of the 82 counties of Mississippi have long since been bought out. So, in connection with the pending amendment, the question is whether we should now turn back.

I would say also that the steam plant provided for by the pending amendment is a normal development. Such a plant is something one would expect in fulfilling the needs of an area which it has already been decided would be developed in this manner.

I wish to mention one other point—an overall point which applies to every community in the United States—namely, that the important national value of TVA is its yardstick quality. It is the yardstick by which power rates can be determined. If we were to liquidate TVA or retard it, or if it should not function, everyone in the United States would lose a yardstick which has been beneficial to the consumers of electricity everywhere.

I believe it has been quite beneficial to the private power companies as well. I know it has been in my area. It has brought electricity rates down. The companies in my area are doing the finest business and they are making the most money they ever made in their history. I believe the TVA yardstick is one of the major factors that have brought

rates down and have put electricity in reach of many more people than ever before. We have very enterprising and alert private power companies in Mississippi, and I am proud of them. They go after business and they get business, and they manufacture electricity. So I have an opportunity to make comparisons.

So, as I have said, I believe the TVA project as a whole is of tremendous value throughout the entire Nation as a yardstick. I would like to see it become a little more accurate yardstick than it is today. I believe adjustments can be made. The Senator from Tennessee referred to one that is already being made through the bill which he introduced in the House.

So I come back, Mr. President to the proposition that the decision has already been made. If there is reasonable proof that the additional plant is needed, then it is just part of the overall policy with respect to a project which is very successful, and which is already in operation, to build the plant.

Mr. SPARKMAN. Mr. President, I will take only a few minutes. I had something to say in the course of the remarks made by other Members of the Senate during this afternoon's debate on the question; but I certainly do not want the debate to come to a close without my saying something in favor of the amendment and also making a plea, along with the plea made by other Senators representing the Tennessee Valley area, that we not be left stranded there with a shortage of power, which would prevent our enjoying a normal growth. That is all we ask for. I am sure that other Senators in the course of their remarks have had something to say with reference to the type of industry that has grown up in the South, particularly in the Tennessee Valley area.

It has not been a case of drawing any industry away from other sections of the country. We often hear it said that we have drawn New England industry into the Tennessee Valley. The statement has been made—and I have known of no one to contradict it successfully—that there has not been one New England textile plant located in the TVA area since 1931. In fact, I do not believe there has been a single textile plant located in the TVA area that has not been started anew since TVA has been serving that area. The industries which have been located there since TVA has begun to operate have been industries which have been indigenous to the area. Had it not been—and this point has been made before—for the fact that the Government has required such a great part of the power we would not have to be before Congress asking for the building of the steam plant provided for in the amendment of the Senator from Tennessee [Mr. KEFAUVER].

Earlier in the day I mentioned the experience that one of the 150 distributors in the TVA area has had; and I referred to my home town of Huntsville, Ala. It was not until 1940 that Huntsville bought its electrical distribution system. Huntsville was the headquarters of the Alabama Power Co. in northern Alabama. The

Alabama Power Co. was very popular there. There was never any friction between it and the people, in connection with the acquisition of the properties. Our city bought its distribution system in 1940. There was a bond issue of \$1,750,000 for the acquisition of those properties. That bond issue had 20 years to run. It has just been paid off in full—in 13 years, 7 years less than the required time; and during that time the plant has been expanded to the extent of more than \$4 million of extensions and improvements, and during the same period there has been paid to the city, in lieu of taxes, more than \$500,000.

Furthermore, the customers have saved millions of dollars on their electric bills. I do not say that amount would necessarily have been saved on the basis of the present rates of the private power company, because, as the able Senator from Tennessee pointed out, the private companies have been able to reduce their rates because of the true yardstick that has been provided by the TVA. Mr. Lillenthal, in his book entitled "Democracy on the March," which was published a number of years ago, included a chapter devoted to that yardstick. He pointed out what a great many persons had misunderstood. He showed that the true yardstick was the demonstration of a fact that the power companies, before the time of TVA, were unwilling to admit, namely, that if the consumption of more power is made possible, more power is consumed, and therefore it is possible to lower the rates. That is the true yardstick that the TVA has demonstrated in that area.

So in the city of Huntsville, with a population of approximately 40,000, a saving of more than \$7 million has been brought about as a result of lower electric rates for the consumers, while at the same time it has been possible to expand the facilities in such a way as to provide service to almost every farm home in the county—so much so, that today 99 percent of the homes in all of Madison County are serviced by the distribution system of the city of Huntsville.

This afternoon I stated that the consumption of electric power in that area had reached the saturation point. Of course that is not literally true, for there is no saturation point in respect to the consumption of electric power. At first, the extension of electric power into an area may result in nothing more than the use of electricity for electric lights; but later there will be a substantial consumption of electric power for the operation of refrigerators, ironing machines, electric ranges, and many other conveniences; and later more electric power will be used for milking machines, feed grinders, and many other devices. So there is no saturation point in respect to the consumption of electric power; its use goes on.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement published in the Huntsville Times on July 1, relating the success of the Huntsville distribution system; and also an editorial pertaining to the same subject matter, published in the Huntsville Times on July 3.

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

[From the Huntsville (Ala.) Times]

YOU ARE A PART OF THIS SUCCESS STORY—
READ IT

Yesterday the Huntsville electric system became free of indebtedness when a total of \$60,000, which was the balance due on outstanding notes, was paid at the three local banks. Two years ago, in July 1951, the final portion of the system's bonded debt, which was originally \$1,750,000, was retired.

This occasion marks an important milestone in the history of the local municipally owned electric utility which began on July 19, 1940, when the city of Huntsville purchased from Alabama Power Co. the electric distribution facilities serving Madison County and entered into a contract with Tennessee Valley Authority for the purchase of its supply of electricity.

At the time of the purchase of the system in 1940 approximately 5,800 customers were receiving electric service from a total of approximately 250 miles of distribution lines. Of this total less than 1,000 customers were located in the rural areas and service was available to only 15 percent of the rural homes in the county. Since the city of Huntsville acquired the utility, the facilities of the system have been steadily expanded until today service is available from a total of more than 1,200 miles of lines to practically every home, farm, business, and industry within the service area of the city's system. As of today more than 21,500 customers are actually being served from the system.

Not only has the original debt of \$1,750,000 been retired in full during the 13-year interval since acquisition (the bonds were issued to be paid in 20 years) but also all costs of expanding the system, amounting to more than \$4 million have been paid out of proceeds from the system's operations.

Moreover, a total sum in excess of \$500,000 has been paid into the general funds of the city of Huntsville from electric revenues as a payment in lieu of taxes to help defray the cost of local government. And finally, the electric consumers of Madison County, during the 13-year period of operation by the city of Huntsville, have saved a total estimated to be in excess of \$7 million on their electric bills, based upon rates for similar service in effect at the time of acquisition.

So far as is known, Madison County, Ala. is the first and only county in this area that enjoys complete area coverage of electric service from an electric distribution system that is entirely free of debt.

In making this report to you as customers and owners of the electric system, we should like to express our deep appreciation for the trust and confidence that you have placed in us and to thank you for your cooperation, patience, and generous patronage, without which this unique and outstanding record could not have been possible. You are truly an important part of this success story.

In looking to the future as a debt-free operation, we have high hopes that we may be able to hasten many long-needed improvements which will strengthen our services to you and enable us to fulfill our obligation to play our proper role in making Huntsville, and Madison County a prosperous growing community. We assure you that long-range plans are constantly being made, and revised as conditions make it necessary, to be ready at all times to meet the calls for electric service as they arise.

HUNTSVILLE ELECTRIC UTILITY BOARD.

[From the Huntsville (Ala.) Times of
July 3, 1953]

FINE RECORD, VALUABLE PROPERTY

The history of the Huntsville electric system is something of a fairy story.

Starting from law on July 1, 1940, it has paid for its entire cost, \$1,750,000, as well as more than \$4 million of extensions and improvements.

Instead of taking 20 years to do this, as the original setup provided, only 13 years were required.

In addition, payments in lieu of taxes to the city have been more than \$500,000.

Today the city has a property that is perhaps worth \$5 million, without a cent of indebtedness on it.

On top of that, the Huntsville electric system is, according to the power board, the first and only one in this area with country-wide coverage that is entirely free of debt.

From 5,800 customers 13 years ago, the system now has more than 21,500; in place of 250 miles of distribution lines, it has now more than 1,200 miles.

The grid of lines that serve Madison County is so close that practically every home, if not every home, is within a mile or less of electric service.

But there is other work ahead for the electric system. There are other improvements to be made that will strengthen and improve its services and a building to be erected that will house its operations. And in this new home, for which some plans have been made, it is to be hoped that an auditorium can be included, which will meet a great need here. It is not expedient for the city to build an auditorium separately. The Sheffield system set a precedent that might be followed in including an auditorium.

The ultimate fate of the TVA is uncertain. We fervently hope that it will be permitted to go on as it has in enrichment of the valley. But if the future holds otherwise, Huntsville and Madison County will have at least a magnificent distribution system that is highly valuable and without debt or obligation.

Mr. SPARKMAN. Mr. President, in order to give more information about the remarkable growth I have mentioned—not to take care of new industries, but to take care of the normal growth of the city of Huntsville and the surrounding area; and, of course, I use Huntsville only as an example—I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article which was published in the Huntsville Times of July 3. It gives information about the plans for the next year, including plans to spend \$420,000 for additions and improvements.

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

CITY ELECTRIC SEES \$420,000 FOR EXTENSIONS—MOST OF REVENUE OVER EXPENSES TO BE SPENT TO STRENGTHEN SERVICE

The Huntsville Electric System expects to have \$420,000 left over for additions and improvements to the system during fiscal year 1953-54, after \$1,250,000 is spent for operating costs, \$96,000 paid in lieu of taxes, and \$150,000 set aside for the new building into which the organization hopes to move 4 years from now.

These in general are the principal points noted in the 1953-54 budget adopted yesterday by the electric utility board.

According to the budget figures, the board foresees another year of progress for the system despite the fact that residential construction here will be down greatly from the year which ended yesterday.

Sale of power is estimated to reach a total of 191,720,000 kilowatt-hours, as compared to 178 million last year, which will bring in revenue estimated at \$2 million, as compared to \$1,928,000 for fiscal 1952-53. Operating expenses also will be up during the new fiscal year—from \$1,355,000 to \$1,436,365, according to the budget.

This will leave the net income for the new year at \$592,435, as compared to the \$587,995 anticipated at the beginning of the last fiscal year. Fund requirements for this year will total \$287,800—\$137,800 for renewal and replacement, and \$150,000 in the building fund—which will cut the net revenue down to the \$420,000 that will be available for extensions and improvements.

This figure is some \$40,000 less than was available for such work during fiscal 1952-53. This is accounted for by the fact that last year's fund requirements totaled only \$236,000, and last year's payment in lieu of taxes amounted to only \$75,000, as compared to the estimated \$96,000 tax equivalent seen for the current year.

Out of the \$420,000 available for extensions and improvements this year, \$185,000 of the work was started last year, and work orders already have been issued for it. Included are purchase of a 2,000-kilowatt-ampere unit for the Wells Avenue substation, \$52,000; convert section of line on Harvest Road to 3-phase, \$4,000; purchase eight 500-kilovolt-ampere network transformers for downtown area, \$57,000; purchase three recording ammeters, \$500; purchase three 3,333-kilovolt-ampere units for Huntsville Manufacturing Co., \$41,000; contract labor and purchase of material for rural lines, \$30,500. These rural lines include half a mile west from Gurley on Highway 72, a mile and a half on Pulaski Pike, 14 miles on Merrill Mountain near Guntersville Dam.

New projects, estimated to cost \$235,000, will consist primarily of strengthening existing service, such as:

Improvements at West Huntsville substation to add a 4,500-kilovolt-ampere bank, \$31,000; rewind three 2,500-kilovolt-ampere transformers for use at the North Huntsville, 12,500-kilovolt substation, \$22,000; put up higher capacity line to Oakwood College and Schrimsher store on Athens Pike, \$18,000; rebuild 44,000-volt line from the central substation to the old North Huntsville substation, \$10,000; and many others such improvements in town and the rural areas as well.

Mr. SPARKMAN. Mr. President, today we have spoken of the tacit agreement as to the territory. Time after time we have referred to the fact that our area is a sort of island, which was set up by Congress, let it be remembered; it was agreed by Congress that the service to that area would come from the TVA. I think I have proof that the private power companies not only have respected that in the past, but are respecting it most carefully today. In the Huntsville Times of July 1 there appeared an article entitled "GE, Westinghouse Hit for TVA Plant Boycott." The significant part of the article is the map which accompanies it. The shaded area on the map shows the TVA area in Tennessee, Kentucky, Virginia, North Carolina, Georgia, Alabama, and Mississippi. It shows that General Electric and Westinghouse, great companies producing electric equipment—companies which, by the way, have sold hundreds of millions of dollars' worth, and perhaps billions of dollars' worth, of equipment to TVA and to the people in the TVA area—have established in the South, since TVA came into being, 12 or 15 plants; and it is significant that not one of those plants has been established in the TVA area. A letter explaining that situation appeared; it showed that because those companies had such good customers among the private power companies which operate in the other territory, General Electric and Westinghouse felt

compelled to locate their new plants in the territory of their private power customers, and away from the TVA area.

Mr. President, not only has the TVA territory been recognized in that way, but it has really been isolated, insofar as the use of electric power is concerned. Our area needs electric power, just as every other section of the Nation needs electric power. We have only one place to which to turn for electric power, and that is to Congress, which set up the island there. Our request is only for enough power to take care of our normal needs.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, in connection with my remarks, an article and an editorial, both dealing with this matter, which were published in the Huntsville Times.

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

[From the Huntsville (Ala.) Times of July 1, 1953]

GE, WESTINGHOUSE HIT FOR TVA PLANT BOYCOTT—NORTH MISSISSIPPI CO. CHARGES AREA RINGED WITH THEIR FACTORIES

NASHVILLE, TENN.—The North Mississippi Industrial Development Association has accused two of the Nation's largest electric equipment and appliance manufacturers of boycotting the TVA power area as a location for their plants, according to the Nashville Tennessean.

These companies, the Westinghouse Corp. and the General Electric Co., have refused to locate plants in the TVA service area, the association declared, because of pressure placed upon them by private power companies.

In substantiating these charges, the association displayed a map of the Southeast, showing the TVA ringed by plants of the two companies, exhibited correspondence and cited conversations with representatives of the companies.

Similar evidence also was produced by the Mayfield, Ky., electric power board.

Spokesmen for both companies have denied they have "deliberately avoided" locating plants in TVA's power service area. They also contended they have not been pressured by the power companies.

But Senator ESTES KEFAUVER and Representative ROBERT JONES, of north Alabama, said in Washington the charges are substantiated by evidence.

"Talking about luring or pressuring industry," JONES said, "they have ringed the area with 17 or 18 new plants costing \$100 million and employing 20,000 workers, all built, or being built, just outside the world's largest appliance market."

Senator KEFAUVER said:

"This is direct, conclusive evidence that TVA is not pirating any industry for the valley. We are developing our own. The pirates are the private power companies. They are forcing the two biggest beneficiaries of our billion-dollar appliance market to boycott our region economically."

The people of the TVA power service area have purchased more than a billion dollars worth of electric appliances in the past 7 years, according to TVA estimates. This makes the power service area the largest electric appliance market in the world.

Correspondence substantiating the charge that the two companies have avoided the valley has been made public by several power distributors and the Mississippi group.

The Fantus Factory Locating Service, which in early 1952 represented Westinghouse as consulting industrial location engineers, wrote the Mayfield, Ky., Chamber of Commerce, February 1, 1952:

"With reference to your letter of January 29, I was under the impression that we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation and the first time we have come across it."

The general industrial agent of the Illinois Central Railroad wrote commenting upon the same plant:

"I think we have run into a snag that is going to be hard to get off of. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

The same railroad official also wrote the Mayfield chamber:

"It seems to me, however, that the best way to handle this would be through the Fantus organization, since we are so tied in with TVA, GE, and Westinghouse that it would be pretty difficult for us to debate the subject with them."

"We can and will, of course, continue to work in the interest of Mayfield, but I think it would be wise for us to keep out of the public versus private power debate."

The Mississippi association listed the following new Westinghouse plants built to ring the TVA area in the last 10 years, all within 175 miles of the area's border:

Fairmont, W. Va., 1942, fluorescent lamps and tubing, 993 workers, cost \$6 million.

Owensboro, Ky., 1947, light globes, 251 workers, cost \$3 million.

Little Rock, Ark., 1948, light globes, 896 workers, cost \$4 million.

Richmond, Ky., 1948, miniature lamps, 482 workers, cost \$1 million.

Raleigh, N. C., 1952, meters, 2,500 workers, cost \$10 million.

Reform, Ala., 1952, photoflash lamps, 300 workers, cost \$1.5 million.

Vicksburg, Miss., 1952, lighting equipment, 500 to 800 workers, cost \$5 million.

Hot Springs, Ark., 1952, glass, 1,000 workers, cost \$8 million.

Montevallo, Ala., 1952, welding electrodes, 300 workers, cost \$3 million.

New General Electric plants within this "ring" were listed as:

Jackson, Miss., 1941, fluorescent lamps, 480 workers, cost \$4 million.

Goldsboro, N. C., lamp lead wires, 300 workers, cost \$1.5 million.

Lexington, Ky., two plants, both started in 1947; auto lights, 350 workers, cost \$2 million; glass plant, 100 workers, cost \$1 million.

Owensboro, Ky., 1947, receiving tubes, 4,775 workers, cost \$12 million.

Anniston, Ala., 1951, electronic tubes, 2,000 workers, cost \$6 million.

Louisville, Ky., 1951, jet engine parts and general appliances, eventually up to 16,000 workers, cost of first phases, \$14 million.

Asheboro, N. C., 1952, electric blankets, 300 workers, \$1 million.

Rome, Ga., 1952, transformers, 1,700 workers, \$15 million.

[From the Huntsville (Ala.) Times of July 1, 1953]

NO GENERAL ELECTRIC, WESTINGHOUSE PLANTS

The picture and news story on page 3 gives pretty conclusive evidence that the Nation's two largest electric manufacturers, General Electric and Westinghouse, have given the TVA area a pretty wide berth in locating new plants in the South.

At the same time, they are estimated to have sold to the TVA electrical equipment for its dams, and to TVA area residents for domestic usage, more than a billion dollars worth of their products.

The charge is that private power companies applied heavy pressure to these two companies to stay out of the TVA area with their new plants, although it would have been convenient for them to locate here. Such pressure from all the private power com-

panies could have been very strong and very powerful.

There is concrete evidence that this coercion was applied. The general industrial agent of the Illinois Central Railroad wrote the Mayfield (Ky.) Chamber of Commerce that he could not get a Westinghouse plant located there. In part, he wrote on January 9, 1952:

"I think we have run into a snag that is going to be hard to get off of. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

And the Fantus Factory Locating Service, employed by Westinghouse to assist in finding a good site for a plant, wrote the president of the Mayfield Chamber of Commerce on February 1, 1952:

"With reference to your letter of January 29, I was under the impression we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation, and the first time we have come across it. Naturally, however, we are forced to observe our client's wishes in this matter."

The attitude of Charles E. Wilson, former president of the General Electric Co., toward TVA is publicly known. Months ago, he made a public statement in which he advocated its dismemberment and sale to the private power companies.

But the map of the TVA territory, and the ring of General Electric and Westinghouse plants that have been built in recent years in the contiguous areas of several Southern States, speak louder than any words. While they were delighted to get TVA's and TVA power consumers' business, to the tune of more than a billion dollars, they kept their plants, which costs hundreds of millions of dollars, and which employed tens of thousands of men and women, out of one of their most profitable markets.

The inference is very clear that private power companies in other States, fighting the TVA and its cheap power program, put on the pressure not to help it, or the people it serves, by locating any of their factories in this area.

Mr. SPARKMAN. Mr. President, about 10 days or 2 weeks ago the Washington Post published a most interesting, fine, and objectively written article entitled "TVA Has Salvaged a Whole Region in Two Decades." I ask unanimous consent to have the article printed at this point in the RECORD, as a part of my remarks.

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

[From the Washington Post of June 28, 1953]

TVA HAS SALVAGED A WHOLE REGION IN TWO DECADES

(By Aubrey Graves)

Into Washington with Franklin D. Roosevelt just 20 years ago came a group of brilliant men, both young and old, with brave plans for remaking America. The gloom and lethargy of depression, which had descended suddenly in 1929, still lingered. The time was made to order for bold men with a blueprint.

Appropriating a dream long cherished by white-thatched Senator George W. Norris, they set out to transform the wide and backward Tennessee Valley into an economic Eden.

This they proposed to do by developing the Government-owned plants at Muscle Shoals, Ala., by flood-control measures, by improving river transportation, and by developing cheap electric power.

The new President, preaching his gospel of nothing to fear except fear itself, gave

his leadership to the far-reaching adventure. He called for the formation of an independent corporation "clothed with the powers of government but possessed of the flexibility and initiative of a private enterprise."

House and Senate Members, flushed with the excitement of riding the Roosevelt coat-tails to victory, speeded through a bill carrying the sponsorship of Senator Norris (Republican, Nebraska) and Representative Lister Hill (Democrat, Alabama). So fanatical was acceptance of the new religion that many Congressmen started refusing even to dine with the utilities lobbyists.

REBIRTH OF A BADLANDS

The Tennessee Valley Authority, which was to be assailed by its critics as "creeping socialism" and upheld by its protagonists as "democracy on the march," was born that May. Dam building started in October.

In 1933 the Tennessee Valley area, including parts of seven States, was a major economic problem in a land of general depression. Its rivers were undeveloped; its hardwood had been overcut and largely burned. Fires against which there was little protection had ravaged the forests, which occupied 54.4 percent of the area. An annual rainfall of 52 inches in a land of row crops had eroded the soil and drained it of plant food. The valley people subsisted on a per capita income of 40 percent of the national average.

Only 3 farms in each 100 had electricity. Considered against this background, the most apoplectic TVA opponents are obliged to admit that the Tennessee River and its tributaries have become valuable servants of the region and the Nation.

Floods are being controlled; the timber resources of the area are increasingly better managed and the soil is being revitalized. Electricity is available at less than one-half the national rate, and per capita income of the people has increased to 59 percent of the national average.

POWER WAS INCIDENTAL

Contrary to popular conception, the development of hydroelectric power was not the prime purpose of the TVA Act. Given top priority was flood control. The second objective was promotion of navigation. Power was to be generated only so far as was consistent with the first two objectives.

Two decades ago the region was subject to devastating floods. The Tennessee River, less than 2 feet deep at certain seasons, at other times became a raging torrent. Farmlands and homes had little protection. Property damage and number of lives lost ran high, and the disruption of families was annual and enormous.

Today the integrated system of 30 dams which controls the system's flow provides 12 million acre-feet of flood storage. From the beginning of the flood season in late December until its end in late March, the water level of the reservoir is kept low.

Flood protection benefits extend into the lower Ohio and Mississippi Valleys. All water from the Tennessee River can be held back for several days. In the event of a major flood on the lower Ohio, the TVA dams can reduce flood heights by at least 2 feet between Cairo, Ill., and the mouth of the Arkansas River. This actually happened in 1950 and saved thousands of acres along the lower Mississippi from flooding.

ELEVEN MILLION ANNUAL SAVING

Since 1936, when Norris Dam started operating, 21 floods which would have exceeded flood stage have been lowered by reservoir operation. The fifth, sixth, and seventh largest floods of record (those of 1946, 1947, and 1948) were controlled to the point where damages were small.

It is estimated that Chattanooga, alone, has been saved from \$45 million damage since 1936. The total estimated savings from floods which have kept from developing run

to \$11 million a year. These estimates are TVA's.

Prior to 1933, the Tennessee River was not a dependable waterway. The limiting channel from Paducah, Ky., to Wilson Dam in Alabama was 4 feet. It was still shallower from Decatur to Chattanooga to Knoxville. TVA has created a chain of lakes which provide a channel throughout the 650-mile length of the river that will carry boats and barges drawing 9 feet of water.

In 1933, traffic on the river amounted to 33 million ton-miles a year (mostly sand and gravel dredged from one point on the river and delivered to another.) Now traffic is running at the rate of 800 million ton-miles a year and most of this is high value cargo coming from or going to points outside the valley. Grain for both dairy and beef cattle comes in from the Midwest; oil and other petroleum products from Louisiana; sulfur from Texas.

One of the most interesting sights in the river traffic is the movement of autos from Detroit, by way of Evansville, down the Ohio and into the Tennessee River. They come down in triple-decked barges, 300 autos to a barge. Landed at Guntersville, Ala., they are distributed throughout the Southeast.

The power business of TVA is paying its own way. During fiscal 1952 power operations earned \$26 million—a return of 4.7 percent. For the past 5 years, earnings have averaged 5 percent.

Nine out of ten farms in the TVA area today are supplied with electricity. One and one-quarter million consumers of TVA power are using more than twice the number of kilowatt-hours per capita as are used by the Nation as a whole, at a cost of less than half the average national rate. TVA customers pay an average of 1.33 cents a kilowatt-hour; the average for the Nation is 2.77 cents.

Nearly \$900 million worth of electrical appliances have been bought in the region during the past 5 years.

There are refrigerators and ranges in the kitchen. Water is carried by an electric pump instead of by the women, young and old, with the once familiar water buckets. In the barns are hay driers, small motors to grind feed, cut wood, turn small lathes. Power is curing hams, and cooling milk.

The Atomic Energy Commission at Oak Ridge, Tenn., is taking an enormous amount of power and TVA is building a large steam plant near Paducah, Ky., to supply electricity to the AEC plant under construction in that vicinity.

By 1956, TVA expects to be supplying 3.4 million kilowatts of power to Federal agencies in the region and AEC alone will use 25 billion kilowatt-hours of electricity a year.

Power is needed in increasing quantities by the region's industry. In 20 years the number of manufacturing establishments has increased by 1900 (or 35 percent).

To get the additional power needed for the expanding valley economy, TVA is building seven large steam plants. The House has just turned down a request for funds to start an eighth one, a request made by the Truman administration but not included in President Eisenhower's budget.

TVA engineers say no further large increments of power can be obtained from them until major dams have been completed. Any substantial additional blocks must come from steam plants.

Officials of TVA say that, however controversial the question of public power may be, the fact remains that the consumers in the valley are paying the entire cost of their bargain electricity, including repayment to the Government over a 40-year period of Federal funds invested in the power part of TVA.

A fourth function of TVA is development of the area's agricultural and recreational resources. The two nitrate plants built during World War I at Muscle Shoals are now producing fertilizer. They are operated as

a national laboratory to develop new and concentrated fertilizers and the processes for producing them, which are available to all manufacturers.

Recreation is a major business in the valley area, with 10,000 miles of lakeshore. The tourist trade is booming. TVA built five demonstration parks on the lake in cooperation with the Civilian Conservation Corps and the National Park Service. Today there are 12 State parks and 40 local and country parks in the area.

Through TVA action, the incidence of malaria in the area, once as high as 30 percent, has been ended.

The total cost of TVA to June 30, 1953, will be just under \$1.4 billion.

Mr. SPARKMAN. Mr. President, in conclusion, let me say that we are not asking for anything that will be of detriment to any other part of the country. We are paying the bill for these installations. As the distinguished junior Senator from Tennessee pointed out a few moments ago, we are paying the bill for the installations, and we are making payments to the Federal Government faster than we were supposed to make them.

The other day there occurred a colloquy on the floor of the Senate, between the able Senator from Illinois [Mr. DOUGLAS] and the able Senator from Colorado [Mr. MILLIKIN] over the question of reclamation, when the Senator from Illinois brought up the question of the interest payments. He made a powerful defense of this kind of program; he said it was multiplying our resources and was multiplying our wealth and was multiplying the revenues of the Federal Government over and over.

Certainly, Mr. President, the same is true of, and the same thing applies to, the TVA. Not only is it making wealth for the Government of the United States; not only is it paying back the cost to the United States even ahead of time; but I may say also, in all fairness, Mr. President, we are entitled to consideration as to our power needs, because it was the Congress that set aside the area and said it should be supplied by the TVA. We are looking merely for the supply of power to which we are entitled, in order that we may enjoy the same degree of normal growth that every community and every section of the country is entitled to.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate, because I know Senators are anxious to vote. I would merely say, on behalf of the committee, that I have listened with interest to Senators who have advocated the amendment, the adoption of which would start construction of the Fulton steam plant this year. The construction of that plant would call for the expenditure of \$30 million this year, with an ultimate cost of \$90 million.

The committee did not take the position that the Fulton plant should never be built; it simply took the position that the estimate showed that there was sufficient power within the TVA area to take care of the needs of the Government, to take care of the needs of industry, and also to take care of the gradual growth during the years 1954, 1955, and 1956. It was also shown that it would take 2 years to construct the Fulton steam plant and that it could not begin operations until 1956; so there would be ample

time to look into the situation again next year to decide whether it was necessary. We would then be that much closer to the estimates which were given to us for 1956 and 1957. We would know what the estimates were for 1953 and 1954. For that reason the committee followed the recommendation of the Budget Director in omitting the item. It also followed the House, which likewise omitted it, and the statement in the report of the committee that it should not be included in this year's budget.

For those reasons I hope that Senators, if they are interested, will examine the Senate committee hearings on the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter dated July 9, 1953, from Joseph M. Dodge, Director of the Bureau of the Budget. The letter shows a surplus of power requirements in 1956.

I should also like to have printed in the RECORD at this point as part of my remarks the statement of the Defense Electric Power Administration, which shows the load based on the Truman budget and based on the revised fiscal budget. This shows, in millions of watts, a surplus of power requirements in 1952.

I should also like to have printed in the RECORD at this point in my remarks the estimate, in kilowatts, of the TVA power system's capacity, which shows the building up year by year of the new plant, with the total in 1956 of hydro-power of 2,739,900 kilowatts, and of steam power a total of 6,741,550 kilowatts. Those figures include the Fulton steam plant.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter, statement, and estimate were ordered to be printed in the RECORD.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington D. C., July 9, 1953.

HON. LEVERETT SALTONSTALL,
Chairman, Subcommittee on Independent Offices, United States Senate Committee on Appropriations,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Governor Adams has asked us to furnish the information requested by you today concerning the prospective power needs in the Tennessee Valley Authority area. It is understood that you desire this information for use in connection with consideration of the Second Independent Offices Appropriation Act, 1954, and are particularly interested in the reason for the administration's decision not to include in the revised 1954 budget an estimate of appropriation for \$30 million to initiate construction of a steam power plant at Fulton, Tenn.

In the preparation of the revised budget the need to provide additional generating facilities to meet the increasing power loads in the Tennessee Valley Authority power area was recognized. An analysis of all available information disclosed that continuation of work on the 35 units now under construction,

as well as 1 additional unit at Kingston and 1 at John Sevier, would provide for reasonable growth in power loads of the area through calendar year 1956, including requirements for national defense and other industries, and for municipalities and co-operatives. In addition, provision was made for appropriate operating reserves.

In view of the overall budget situation confronting this administration it was not possible at this time to include funds in the Tennessee Valley Authority budget for all possible contingencies which might occur in future years.

For the reasons stated above, initiation of construction of a steam powerplant at Fulton in fiscal year 1954 does not appear to be justified. However, the estimates of power requirements in the Tennessee Valley Authority area will again be reviewed in connection with the preparation of the budget for fiscal year 1955. Appropriate action will be taken on the basis of the information then available regarding future power requirements.

We hope that this information will meet your needs.

Sincerely yours,
JOSEPH M. DODGE, Director.

[Included in House debate on TVA on June 17, 1953]

[In millions of watts]

Year	Estimated loads		Margin of capability above loads, based on—			
	DEPA ¹	TVA	DEPA load estimate	TVA load estimate	DEPA load estimate	TVA load estimate
			Under Truman fiscal year 1954 budget		Under revised fiscal year 1954 budget	
1952.....	4,430	² 4,121	—48	271		Same
1953.....	5,452	5,450	463	465		Same
1954.....	7,406	7,900	558	64		Same
1955.....	8,194	8,900	1,802	1,097	1,716	1,010
1956.....	8,654	9,600	2,337	1,391	1,837	891

¹ DEPA states that the load estimates shown, made in March 1953, have been concurred in by representatives of the following agencies: Office of Defense Mobilization, Federal Power Commission, Munitions Board, and Defense Electric Power Administration.
² Actual.

TVA power system capacity in kilowatts

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
In service June 30, 1953.....	2,472,400	441,000	351,935	3,265,335	1,836,550	5,101,885
1953 scheduled capacity additions (by months):						
August—160,000 kilowatts:					135,000	
Shawnee No. 3.....						
Boone No. 3.....	25,000					
September—18,000 kilowatts: Dale Hollow No. 3.....		18,000				
October—174,000 kilowatts:						
Bear Creek.....			9,000			
Shawnee No. 4.....					135,000	
Cherokee No. 4.....	30,000					
November—220,500 kilowatts:						
Fort Patrick Henry No. 1.....	18,000					
Fontana No. 3.....	67,500					
Kingston No. 1.....					135,000	
December—135,000 kilowatts: Kingston No. 2.....					135,000	
Total at Dec. 31, 1953.....	2,612,900	459,000	360,935	3,432,835	2,376,550	5,809,385
1954 scheduled capacity additions (by months):						
January—18,000 kilowatts: Fort Patrick Henry, No. 2.....	18,000					
March—135,000 kilowatts: Kingston No. 3.....					135,000	
April—135,000 kilowatts: Kingston No. 4.....					135,000	
May—138,500 kilowatts:						
Douglas No. 4.....	26,000					
Widows Creek No. 5.....					112,500	
July—112,500 kilowatts: Widows Creek No. 6.....					112,500	
August—135,000 kilowatts: Shawnee No. 5.....					135,000	
September—325,000 kilowatts:						
Tennessee Creek.....			10,000			
Kingston No. 5.....					180,000	
Shawnee No. 6.....					135,000	
October—370,000 kilowatts:						
Colbert No. 1.....					180,000	
Chatuge.....	10,000					
Kingston No. 6.....					180,000	
November—135,000 kilowatts: Shawnee No. 7.....					135,000	
December—495,000 kilowatts:						
Colbert No. 2.....					180,000	
Kingston No. 7.....					180,000	
Shawnee No. 8.....					135,000	
Total at Dec. 31, 1954.....	2,666,900	459,000	370,935	3,496,835	4,311,550	7,808,385

TVA power system capacity in kilowatts—Continued

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
1955 scheduled capacity additions (by months):						
February—315,000 kilowatts:						
Shawnee No. 9.....					135,000	
Kingston No. 8.....					180,000	
March—180,000 kilowatts: Colbert No. 3.....					180,000	
April—135,000 kilowatts: Shawnee No. 10.....					135,000	
May—180,000 kilowatts: Colbert No. 4.....					180,000	
June—180,000 kilowatts: John Sevier No. 1.....					180,000	
September—180,000 kilowatts: John Sevier No. 2.....					180,000	
October—73,000 kilowatts:						
Hiwassee No. 2.....	58,000					
Nottely.....	15,000					
November—405,000 kilowatts:						
Gallatin No. 1.....					225,000	
Kingston No. 9.....					180,000	
Total at Dec. 31, 1955.....	2,739,900	1,459,000	370,935	1,3,569,835	5,886,550	19,456,385
1956 scheduled capacity additions (by months):						
January—225,000 kilowatts: Gallatin No. 2.....					225,000	
Subtotal at Jan. 31, 1956.....	2,739,900	1,459,000	370,935	1,3,569,835	6,111,550	19,681,385
March—50,000 kilowatts:						
Old Hickory No. 1 ¹		25,000				
Old Hickory No. 2 ²		25,000				
May—192,000 kilowatts:						
John Sevier No. 3.....					180,000	
Cheatham No. 1 ¹		12,000				
July—25,000 kilowatts:						
Old Hickory No. 3 ¹		25,000				
September—237,000 kilowatts:						
Cheatham No. 2.....		12,000				
Fulton No. 1.....					225,000	
November—225,000 kilowatts:						
Fulton No. 2.....					225,000	
Total at Dec. 31, 1956.....	2,739,900	558,000	370,935	3,668,835	6,741,550	10,410,385
Cheatham No. 3 ²		12,000				
Old Hickory No. 4 ²		25,000				
Total.....	2,739,900	595,000	370,935	3,705,835	6,741,550	10,447,385

¹ 87,000 kilowatts of Cumberland capacity was originally scheduled for 1955; is now delayed to 1956 under the revised Corps of Engineers budget.

² 37,000 kilowatts of Cumberland capacity was originally scheduled for 1956; is now delayed beyond 1956 in revised Corps of Engineers budget.

Mr. SALTONSTALL. Mr. President, I hope the Senate will follow the recommendations of the full Committee on Appropriations in rejecting an amendment that would start the Fulton steam plant in the TVA system this year.

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

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

Mr. KEFAUVER. I followed the hearings in the House committee and also in the Senate committee very carefully, and every statement I have heard as to the length of time that would be required to build the steam plant was to the effect that it would require 3 years. The Senator stated it would require 2 years. I wonder whether the Senator was mistaken.

Mr. SALTONSTALL. It is possible that I was in error. It would come into use in September 1956, which would be 2 years and a half.

Mr. KEFAUVER. In order to come into use by that time it would have to be started this summer.

Mr. SALTONSTALL. Yes. I may say to the Senator there is a conflict in the estimates of the cost of power, but, according to the best estimate we could obtain, those of the Electric Power Association, under the Eisenhower budget, without building the steam plant, there will still be a surplus of power in 1956. In addition to that, there are power companies that are willing to participate. No contract basis was given, but they are willing to supply a power deficiency. They could add approximately 400,000 kilowatts of additional power, whereas the Fulton steam plant would add 450,000 kilowatts. So, on every

basis I can conceive, although admitting that there is a conflict in the testimony, it is possible to have another look-see a year from now without stopping industrial development of the governmental development of atomic energy in the TVA area in the calendar years 1953, 1954, 1955, and 1956.

Mr. KEFAUVER. I assume the Senator wants the TVA to make enough power to supply the TVA area. That is the attitude of the Senator from Massachusetts, is it not?

Mr. SALTONSTALL. No; it is not the attitude of the Senator from Massachusetts. The Senator from Massachusetts believes that there should be adequate power to provide for the growth of industries and of governmental activities in the area. What I tried to emphasize—and I will emphasize it again—is that—

Mr. KEFAUVER. Mr. President, if the Senator will yield—

Mr. SALTONSTALL. Let me conclude, because it is very important. I have tried to emphasize again that there is sufficient power, so far as I can see, to take care of the needs until 1956 and until the calendar year 1957. In the meantime, we can study the matter, and if we start the plant next year, it will be put into use in time to take care of the industrial growth. In the meantime, the Atomic Energy Commission, through Mr. Dean, the Chairman, has itself said that it believes the Commission will be using less power in 1956 than it is using today.

Mr. KEFAUVER. Mr. President, if the Senator from Massachusetts will yield further, I fear he did not understand my question. My question was whether the Senator, as chairman of the subcom-

mittee, wants TVA to produce sufficient power to supply defense needs as well as the industrial, farm, and home needs of the Tennessee Valley?

Mr. SALTONSTALL. Absolutely, along with the private companies that can come in. If proper contracts cannot be obtained from private companies, that will be another matter. But there was plenty of testimony before us that that would not be the case. Mr. Wilson, of the Mississippi Power & Light Co., stated that they would make a short-term contract or a long-term contract, if they were given the opportunity.

Mr. KEFAUVER. Was the Senator not impressed with the accuracy of the TVA's estimate that their power needs are as set forth in hearings?

Mr. SALTONSTALL. As I remember, the estimates of the TVA's power needs, over the years have shown that they were overestimated between 1941 and 1953, except for 3 years, when they were underestimated. They overestimated them eight times, and underestimated them three times. I think I am correct.

Mr. KEFAUVER. If the Senator will look at the record on the 3-year basis, I think he will find that on each occasion the TVA has underestimated its need for power.

Mr. SALTONSTALL. I would be glad to find that again. I saw the record a little while ago, but now in trying to find it quickly, I cannot seem to put my finger on it. With the permission of the Senator from Tennessee, I shall be glad to place in the RECORD the 10-year record, and I ask unanimous consent that it may be included in the RECORD at this point in my remarks.

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

IV. STATEMENT REGARDING TVA'S ESTIMATES OF POWER DEMANDS

In each of the last several years TVA has presented to the Congress its estimates of power demands to be expected 3 to 4 years in the future. The following table shows these estimates, which were presented when new capacity for the year in question was first under discussion.

Shown in the table for comparison with the estimates are the demands which have actually developed to date:

[Millions of kilowatts]

Year	Estimated demand	Actual demand
1950.....	2.7	3.2
1951.....	2.9	3.8
1952.....	3.5	4.2
1953.....	4.4	-----
1954.....	6.1	-----
1955.....	7.1	-----
1956.....	9.6	-----

In each case the demands that have developed exceeded the original long-range estimates. It is already as nearly certain as such matters can be that demands developing for the next 2 years will also exceed the estimates.

Forecasts made as far in advance are not a matter of record for the years before 1950, but a review of 2-year forecasts reported by TVA to the Federal Power Commission provide the following additional information:

[Millions of kilowatts]

Year	Estimates by TVA 2 years in advance	Actual demand
1947.....	1.8	2.2
1948.....	2.2	2.5
1949.....	2.5	2.7

The reason for the demands exceeding the long-range estimates is the development of more new loads—often of a vital defense character—than can be foreseen as far in advance as it is necessary to plan new power capacity for orderly, economical construction. Experience shows that for adequate service and in the interests of national security, some margin of capacity over estimated demands should be provided.

The House Committee on Appropriations has expressed the opinion that TVA has been overestimating demands and that demands in 1956 are therefore likely to fall far short of TVA's estimate. This opinion was not based on a study of the comparable previous long-range estimates which are tabulated above. Instead, it was based upon a review of short-range (1-year) forecasts, using figures obtained from the Federal Power Commission which, unfortunately, were not accurate and not correctly interpreted.

The 1-year forecasts have little bearing on the planning of new capacity, but are tabulated below, with the actual demands, because of the reference to such estimates by the House Committee on Appropriations.¹

¹Housing hearing on second independent offices appropriations for 1954, pt. I, pp. 222-223.

[Millions of kilowatts]

Year	Estimate by TVA 1 year in advance	Actual demand	Load as curtailed
1941.....	0.7	0.8	0.8
1942.....	1.6	1.4	1.4
1943.....	1.8	1.5	1.5
1944.....	1.8	1.6	1.6
1945.....	1.7	1.8	1.8
1946.....	1.7	2.0	2.0
1947.....	2.1	2.2	2.1
1948.....	2.3	2.5	2.4
1949.....	2.7	2.7	2.3
1950.....	2.9	3.2	3.0
1951.....	4.0	3.8	3.7
1952.....	4.9	4.2	4.1

It will be seen that, in fact, these short-range estimates, which are made after there is knowledge of most newly developing loads, have been too low or too high about equally often, as might be expected.

The actual demands for each year are shown in the table in the column following the estimate. Actual demands are rarely exactly in the amount anticipated in even shorter-range forecasts, for they are subject to uncertainties of weather, industrial conditions (including strikes, etc.), and other variable factors. Part of the necessity for a margin of capacity over estimated demands lies in the unpredictability of such factors.

When there is not ample capacity, it may not be possible to meet demands. Then loads must be curtailed. This is most readily done by the exercise of rights of curtailment reserved in contracts with the larger industrial consumers. Sometimes more drastic measures, with even more serious consequences, are necessary. There has been some curtailment of loads on the TVA system in recent years because capacity was too limited to supply all demands on a normal basis. The loads supplied after curtailment are shown in the last column of the table. These loads, which are less than the power demands by the amount of curtailment, were erroneously compared with the estimated demands in the records of the House hearings.

In summary, actual demands have exceeded TVA's short-range estimates at least as often as they have fallen short of such estimates; actual demands have consistently exceeded TVA's long-range estimates presented to the Congress in support of new generating capacity.

TENNESSEE VALLEY AUTHORITY,
June 20, 1953.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment 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 (H. R. 5690) was read the third time, and passed.

Mr. SALTONSTALL. I move that the Senate insist on its amendments, request a conference with the House 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. SALTONSTALL, Mr. BRIDGES, Mr. FERGUSON, Mr.

CORDON, Mr. HICKENLOOPER, Mr. MAYBANK, Mr. HILL, and Mr. ELLENDER conferees on the part of the Senate.

CHRISTIAN FAITH AS A BULWARK AGAINST COMMUNISM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I have prepared.

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

STATEMENT BY SENATOR BYRD

The chief bulwark in the world today against communism is the Christian faith as represented by our spiritual leaders. To undermine the confidence and faith of our people in these spiritual leaders will impair our most virile and effective force for preservation of Christianity and combating communism and all the evils this ideology stands for.

When the final showdown comes between communism and democracy, the unity and strength of the Christian leaders may well be the determining factor. For this reason, the blanket charge made by J. B. Matthews, the former staff director of a Senate subcommittee against the Protestant clergymen, whom he charged were "the largest single group supporting the Communist apparatus," and the further statement that "some 7,000 Protestant clergymen have been drawn during the past 17 years into the network of the Kremlin's conspiracy," are of importance, considering the position Mr. Matthews occupied until his resignation yesterday.

Thus, Mr. Matthews not only charges that large numbers of Protestant clergymen are Communists but also that at least 7,000 of them are traitors to America, in that they are in the network of the Kremlin conspiracy.

Nothing that could happen would please the Kremlin more than to destroy the faith of America in its religious leaders. Such a mass indictment tends to destroy that faith.

Mr. Matthews should give names and facts to sustain his charge or stand convicted as a cheap demagog, willing to blacken the character of his fellow Americans for his own notoriety and personal gain. If he cannot name all the 7,000 he claims are guilty and the proof thereof, then let him name whom he can.

No man in public life stands more firmly than I do in my desire to oppose communism and to oust all Communists from Government activities, but I regard such irresponsible attacks on religious leaders as going very far afield. It endangers the unity we must have to meet our problems in the dark days that may be ahead.

PROTECTION OF SMALL BUSINESS—EXTENSION OF DEFENSE PRODUCTION ACT

Mr. CLEMENTS. Mr. President, the Senate recently rejected the original conference report extending the duration of the provisions of the Defense Production Act. The action in refusing to accept this conference report was based on the inclusion of a proposal in the Defense Production Act extension which, if enacted into law, would have scuttled efforts made to give small business a fair chance in the American economy.

The decision of the majority of the Senate in refusing to accept the conference report has been seized upon by partisan critics to condemn and misrep-

resent the record and activities of some Members of the Congress. Strange as it may seem, this criticism and misrepresentation has been leveled against some of the best friends of small business enterprise. The reasons for opposition to the report of the conference committee, which would have established a Small Business Administration under the Department of Commerce, were well outlined in the Senate and House debates. Likewise, the National Federation of Independent Business vigorously opposed the establishment of a Small Business Administration as reported out by the conferees.

One of our colleagues, the junior Senator from Minnesota [Mr. HUMPHREY], has been subjected to unwarranted and unfair criticism because of his vote to reject the conference report—a vote that in truth was in support of small business, a vote concurred in by the largest small business association in the Nation. For any partisan critic to charge the Senator from Minnesota with opposition to the interest of small business is to disregard the facts and willfully distort the record.

Mr. President, I ask unanimous consent that the remainder of the statement I have prepared on this subject, together with various letters in reference to it, be printed in the RECORD.

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

REMAINDER OF STATEMENT OF SENATOR CLEMENTS

Let the record speak for itself. Here is what the Senator from Minnesota [Mr. HUMPHREY] has done for small business:

The Senator from Minnesota has been a consistent and active friend of independent business enterprise. His record is crystal clear.

He has worked for and voted for strengthening the Robinson-Patman Act, following the suggestions of independent small business groups.

He has voted to strengthen the Federal Trade Commission, in order that it might more effectively enforce the provisions of the Clayton Act.

He has worked for and voted for strengthening the Antitrust Division of the Department of Justice.

He was among the leaders in the fight against the basing-point bill.

He was cosponsor and successfully worked for passage of legislation creating the Small Defense Plants Administration.

He sponsored and obtained adoption of an amendment establishing an Assistant to the Secretary of Defense in charge of small business contracts. This office, during the defense period, was of great assistance to the smaller industries in the Defense Department's relationships with industry.

He is the originator of the so-called small business-Government conferences which were held throughout the United States, one of the first of which was at the Nicollet Hotel in Minneapolis, Minn.

His office has given priority attention to small business problems and defense contracts for Minnesota business firms, having helped hundreds of Minnesota establishments in their relationships with the Federal Government.

He was cosponsor of a section in the Defense Production Act which made available

extra loan funds for small business defense plants and taconite development.

He has consistently supported the small-business loan activities of the RFC.

He has been an active member of the Senate Select Committee on Small Business, and a member of the special Subcommittee on Taxation as it relates to small business which has just recently recommended tax changes to ease the impact of Federal taxation on growth and expansion of small and medium sized businesses.

His appeal to the Senate majority leader, the Senator from Ohio [Mr. TAFT], in behalf of the Senate Select Committee on Small Business helped achieve its continuance, when it appeared in the early days of the 83d Congress that it would be abolished.

He led the fight in the United States Senate for the fair-trade bill, and had a great deal to do with convincing President Truman to sign that bill.

He sponsored the establishment of a Subcommittee on Fair Trade Practices within the confines of the Senate Committee on Small Business.

He sponsored creation of a Small Business Subcommittee on Newsprint to protect the newsprint supply of the Nation's smaller newspaper publishers, and served as chairman of that group.

He is a former small business man himself, and is still partner in an independent drugstore—confronted with many of the same problems of other small business men.

The Senator from Alabama [Mr. SPARKMAN], who for 3 years was chairman of the Senate Small Business Committee and a member of the Banking and Currency Committee, says he has always found the Senator from Minnesota [Mr. HUMPHREY] on the side of the small business man, and called him "a fine and faithful member" of his committee. Senator SPARKMAN's letter is appropriate testimony to Senator HUMPHREY's friendship for small independent business:

UNITED STATES SENATE,
July 3, 1953.

HON. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I want to express my appreciation to you for your vote in behalf of small business when the conference report on the controls bill was before us several days ago.

As was well pointed out in the discussion on the Senate floor, the proposal that has come from the House of Representatives, if enacted into law, would scuttle efforts made to give small business a fair chance in the American economy.

The Small Defense Plants Administration, as you know, has been operating only a short time. It started from scratch. However, it has done a remarkable job in helping small business in this country due to the fact that it has been an independent agency responsive to the President and reporting to him without intervention of any department head or the necessity of going through any other office. The proposal that came from the House would have destroyed that independent status and would have crippled severely the effort of any man trying to administer the agency in behalf of small business.

This fact was well recognized in the statement that was sent to all Senators by one of the best small business associations of the country. I refer specifically to the Small Business Association of New England.

You may recall also that George J. Burger, Washington representative and executive manager of the National Federation of Independent Business, one of the biggest small business organizations in the United States, took a similar attitude.

Other small business organizations from all over the country expressed themselves in

the same manner because they all knew that destroying the independent status of the small business agency would destroy the ability of that agency to do anything helpful to small business.

As chairman of the Small Business Committee for 3 years, I have found you always on the side of the small business man. You have been a fine and faithful member of the Small Business Committee. Your upholding small business in this latest instance is simply a continuation on your part of the interest and effort you have always exerted for small business.

The fight is not yet won. I know that you can be counted upon to stay on the side of small business.

Sincerely,

JOHN,
John Sparkman.

All real friends of small business will resent the completely unfounded partisan attempt in Minnesota to make it appear that Senator HUMPHREY has ever been against small business enterprise.

The statement of Congressman WRIGHT PATMAN, of Texas, an acknowledged leader in the fight for fair treatment for small business enterprise, again underscores Senator HUMPHREY's record of support and assistance to independent small business. Likewise, the letter which Senator HUMPHREY received from Mr. George J. Burger, of the National Federation of Independent Business, under date of July 3, 1953, states in unmistakable terms the position of independent business concerning the Small Business Administration proposal.

The letters follow:

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
July 3, 1953.

HON. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: Of course we are concerned and disappointed, solely in the interest of small business of this Nation for whom we believe we have the authority to speak and act, that the conferees of the Banking and Currency Committees failed to report out the Small Business Administration Act with the proposed changes, all beneficial to small business, which we recommended to all Members of the Senate in our wire to them of June 19, in which we urged the conferees to correct that section of the act pertaining to the authority of the Advisory Board, consisting of the Secretary of the Treasury, the Secretary of Commerce, and the Administrator of the new agency, and our recommendation was that such authority should be vested entirely within the confines of the new administration, subject at all times to the control of Congress.

We stated our objection to that section of the bill at public hearings before the Senate Banking and Currency Committee May 27, and before the House Banking and Currency Committee May 15.

We were pleased to note that you gave serious consideration to our recommendation of June 19 and voted "No" to the establishment of the Small Business Administration as reported out by the conferees, which report included the provision to which we objected.

It is our hope and trust, in the sole interest of small business of this Nation, that you will urge the Senate Committee on Banking and Currency to report out the amended Small Business Administration Act with the desired correction, and it is our further hope that that legislation, as amended, will be voted by the Congress prior to adjournment.

Sincerely yours,

GEORGE J. BURGER,
Vice President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 8, 1953.

HON. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I am very sorry about the unjustified and wholly unwarranted attack upon you because of your vote in favor of small business when you voted to recommit the bill providing for an extension of the Defense Production Act which did not provide sufficiently for a small business agency to take the place of the Reconstruction Finance Corporation which is now being liquidated and is slated by the Republicans to go out of existence next June 30.

The fact is there is not a Member out of the 531 Members of the House and Senate who has worked harder, more consistently, and more effectively in behalf of the little man and small business than you have worked since you have been a Member of the United States Senate. During the time that you have been here we have been compelled to fight against passage of proposals that were intended to give big business every advantage and little business no opportunity to exist; particularly, I refer to special bills under high-sounding names to "clarify" the Robinson-Patman Act. Everyone of these bills carried hidden provisions that only an alert, sincere, able Member like yourself would have detected that were intended to absolutely destroy equality of opportunity for the little man.

Only a few days ago, I heard one of the most important leaders in the United States Senate say, "HUBERT HUMPHREY is not only a sincere, conscientious person, but he is one of the ablest and best debaters in the United States Senate."

Independent business is fortunate to have a person such as yourself on the right side, and I sincerely trust that the unwarranted attack from greedy groups will receive no more attention than such attacks are entitled to receive. It is just another case of people who have a selfish ax to grind trying to cripple, harm, or retard a fine Member of Congress who is constantly working for the people and never fooled by the slick, deceitful propaganda of the clever lobbyist groups.

I want you to know, Hubert, that I am glad to be on your side and glad to be associated with you in the many fights that we have carried on shoulder to shoulder. If your record is bad, my record is bad, but the truth is you have a wonderful record in behalf of the little man, and I do not expect to have a better one.

Small business needs help now more than any time since I have been a Member of Congress during the past 25 years; the little man is in the greatest danger that he has ever been. Please do not let unfair attacks dampen your zeal because we need you now and will need you in the foreseeable future as never before.

With kindest personal regards and very best wishes, I am,

Sincerely yours,

WRIGHT PATMAN.

ADDITIONAL ASSISTANT POSTMASTER GENERAL

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5302, Calendar No. 502.

The PRESIDING OFFICER. The clerk will state the bill by its title.

The LEGISLATIVE CLERK. The bill (H. R. 5302) to provide for an additional Assistant Postmaster General in the Post Office Department.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

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

Mr. ELLENDER. Mr. President, may we have an explanation of the bill? The report is not available, apparently. I should like to know, in particular, why it is necessary to have another Assistant Postmaster General.

Mr. CARLSON. Mr. President, this proposed legislation provides for the consolidation and coordination of all personnel management functions of the Post Office Department under one Assistant Postmaster General.

The coordination of personnel functions of the various bureaus under one head will provide for consistency in policy and develop a positive overall personnel program for the Post Office Department. It is the committee's firm conviction that there is a direct relationship between the size of the post-office deficit and the need for a modern and enlightened policy of personnel management administered in the top level in the Post Office Department.

There are four departments in the Post Office Department, an agency which is the second largest employer of civilian personnel in the world, second only to the Department of Defense.

There is no personnel head in the agency. There are four Assistant Postmasters General. Each one has charge of personnel. There are three major personnel sections. I know of no private business that could operate in this way. This bill has passed the House. The Postmaster General stated that, in his opinion, the enactment of the bill would save \$100,000 in the first 6 months.

Mr. ELLENDER. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. ELLENDER. How many Assistant Postmasters General are there at this time?

Mr. CARLSON. There are four.

Mr. ELLENDER. This will make the fifth one?

Mr. CARLSON. That is correct.

Mr. ELLENDER. What salary is he to receive?

Mr. CARLSON. He is to receive \$15,000 a year.

Mr. ELLENDER. I thank the Senator from Kansas.

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

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

INVESTIGATION BY COMMITTEE ON AGRICULTURE AND FORESTRY OF IMPORTATION OF WHEAT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 508, Senate Resolution 127.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 127) authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption.

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

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 127).

Mr. KNOWLAND. Mr. President, may we have a brief explanation of the resolution? I think, in orderly procedure, the RECORD should contain an explanation.

Mr. AIKEN. Mr. President, as is well known, the Committee on Agriculture and Forestry has a \$10,000 appropriation for 2 years in which to do the work prescribed in the resolution. We have not as yet spent the entire \$5,000 for this year, but we have been continuously busy on the investigation, and the amount will undoubtedly be expended within the next 3 or 4 weeks. That leaves nothing with which to move in quickly and investigate matters which threaten the price-support program and the farm program generally.

I have particular reference to a scheme which has been operated during the past 3 or 4 years to import wheat, unfit for human consumption, from Canada at a low import duty, blend it with good American wheat, and then sell it, collect subsidies on it, and displace good wheat in the American market. That has done a great deal of harm generally, I believe, to our wheat price-support program.

At the present time, the Department of Justice is investigating with a view to taking action against one of the outlets of the outfit which has been primarily concerned with this activity, but, so far as I know, the company involved is going unscathed, though there is indication that it concocted a conspiracy. We believe an inexpensive investigation will expose the whole matter, prevent future actions of this kind, and be generally helpful to our farm program.

This is one instance in which we contemplate moving in to see if we cannot put a stop to such machinations which injure American agriculture. We do not know when we might want to move in quickly, but if we do, we shall have little money with which to operate, and we estimate that \$15,000 will be an adequate amount. I hope we shall not have to expend it, but I assure the Senate that what money we do not absolutely have to use will be safely returned to the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 127) was agreed to.

INVESTIGATION BY CIVIL SERVICE COMMISSION OF PERSONS RECEIVING ATOMIC ENERGY COMMISSION FELLOWSHIPS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the

consideration of Calendar No. 443, Senate bill 1569.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1569), to amend the Independent Offices Appropriations Act, 1953, so as to provide for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships.

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

The motion was agreed to; and the Senate proceeded to the consideration of the bill, which was read, as follows:

Be it enacted, etc., That section 102 of the act of July 5, 1952 (66 Stat. 411), is amended by striking therefrom the words "Federal Bureau of Investigation" and inserting in lieu thereof the words "Civil Service Commission," and by striking the word "Provided" the first time it appears and inserting in lieu thereof the words "Provided, That in the event such investigation made by the Civil Service Commission develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action: *Provided further,*"

SEC. 2. Nothing in this act shall be construed to affect in any way the responsibility of the Federal Bureau of Investigation for the investigation of espionage, sabotage, or other subversive acts.

Mr. CARLSON. Mr. President, this proposed legislation provides for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships. Public Law 298, 82d Congress, relieved the Federal Bureau of Investigation of the responsibilities of conducting personnel investigations so that the Bureau might devote its complete facilities to detecting violators of Federal laws and other vital services as may be required by Congress and Executive directives.

Public Law 298 transferred to the Civil Service Commission the responsibilities for conducting personnel investigations in certain fields including the Atomic Energy Act and the Mutual Security Act of 1951.

However, section 102 of the Independent Offices Appropriation Act of 1951 provides that the Federal Bureau of Investigation shall make character and loyalty investigations of recipients of Atomic Energy Commission fellowships. That provision was not included in Public Law 298 because it was assumed that it would expire prior to the enactment of that law. But subsequent appropriation acts have perpetuated the provision.

S. 1569 would place that responsibility with the Civil Service Commission. This legislation has been requested by the Justice Department.

This legislation provides further that in the event such investigation made by the Civil Service Commission develops data reflecting that the individual who

is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for a full field investigation.

There is nothing in this act which shall be construed to affect in any way the responsibilities of the Federal Bureau of Investigation for the investigation of espionage, sabotage, or other subversive acts.

Mr. McCARRAN. Mr. President, I offer an amendment on page 2, line 1, after the word "data", to strike out the word "reflecting" and insert in lieu thereof the words "justifying a reasonable inference."

The language of the proviso is:

That in the event such investigation made by the Civil Service Commission develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation.

And so forth. My thought was that the word "reflecting" is so indefinite that it would be better to have in the bill the words "justifying a reasonable inference."

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

Mr. McCARRAN. I yield.

Mr. CARLSON. I think the amendment of the distinguished Senator from Nevada would strengthen and improve the bill. I shall be pleased to accept the amendment.

Mr. McCARRAN. I thank the Senator. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

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

The bill (S. 1569) was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF RUPERT, IDAHO

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 465, Senate bill 122.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 122) directing the conveyance of certain property to the city of Rupert, Idaho.

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

The motion was agreed to; and the Senate proceeded to consider the bill (S. 122) directing the conveyance of certain property to the city of Rupert, Idaho, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 6, after the words "purpose of", to insert "and as having been made within any time limitation prescribed in"; and in line 23, after the word "minutes", to

strike out "each" and insert "east", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, without consideration, to the city of Rupert, Idaho, all right, title, and interest of the United States in and to the lands described in section 2 of this act: *Provided,* That such conveyance shall be subject to the continued use, without payment of ground or other rental therefor, of the improvements and necessary land presently used for veterans' temporary housing project IDA-V-10147, for so long as they may be needed, under the contract between the city of Rupert and the United States for such project, it being understood that the rights and obligations of the United States and the city of Rupert under said contract shall not be in any way affected by such transfer: *And provided further,* That such conveyance shall be considered a purchase of said land for the purpose of, and as having been made within any time limitation prescribed in section 601 (b) of Public Law 849, 76th Congress, as amended.

SEC. 2. The lands referred to in the first section of this act are more fully described as follows:

TRACT 1

Beginning at a point which is twenty-eight and seven-tenths feet north eighty-nine degrees fifty-four minutes east and one thousand one hundred and eighty feet north no degrees six minutes west of the quarter section corner of sections 20 and 29, township 9 south, range 24 east, Boise Meridian, Idaho, thence north eighty-nine degrees fifty-four minutes east seven hundred and ten feet; thence north no degrees six minutes west one hundred and thirty-nine and eight-tenths feet; thence south eighty-nine degrees fifty-four minutes west seven hundred and ten feet; thence south no degrees six minutes east one hundred thirty-nine and eight-tenths feet to the point of beginning; containing two and twenty-eight one-hundredths acres, more or less.

TRACT 2

Beginning at a point which is one thousand one hundred seventy-nine and five-tenths feet north no degrees six minutes east and forty-three and four-tenths feet south eighty-nine degrees fifty-four minutes west of the section corner of sections 20, 21, 28, and 29, township 9 south, range 24 east, Boise Meridian, Idaho; thence south eighty-nine degrees fifty-four minutes west nine hundred and ten feet; thence north no degrees six minutes east one hundred thirty-nine and seventy-five one-hundredths feet; thence north eighty-nine degrees fifty-four minutes east nine hundred and ten feet; thence south no degrees six minutes west one hundred thirty-nine and seventy-five one-hundredths feet to the point of beginning; containing two and ninety-two one-hundredths acres, more or less.

TRACT 3

Beginning at a point which is forty feet south no degrees three minutes east and one thousand one hundred ninety-one and three-tenths feet south eighty-nine degrees fifty-four minutes west of the quarter section corner of sections 20 and 29, township 9 south, range 24 east, Boise Meridian, Idaho; thence south no degrees four minutes east two thousand five hundred seventy-nine and two-tenths feet; thence south eighty-nine degrees fifty-six minutes west seventy-five feet; thence north no degrees four minutes east two thousand five hundred seventy-nine and two-tenths feet; thence north eighty-nine degrees fifty-four minutes east seventy-five feet to the point of beginning; containing four and forty-four one-hundredths acres, more or less. The conveyance of this

tract shall be subject to the right of the Minidoka irrigation district to pump and use the water collected in the drain located on the tract, and shall be conditioned upon the release of the United States from all responsibility for the maintenance of said drain.

Mr. MORSE. Mr. President, the distinguished Senator from Idaho [Mr. DWORSHAK] and I have had a series of very cooperative conferences on this matter, and I think we are about to work out a solution mutually acceptable to us and, I believe, to the Senate. I shall be as brief as I can, and at the same time protect myself in the RECORD.

As the Senate knows, since 1946 I have tried to follow a formula which a subcommittee of the Committee on Armed Services in 1946, composed of the senior Senator from Virginia [Mr. BYRD], the senior Senator from Massachusetts [Mr. SALTONSTALL], and the junior Senator from Oregon, worked out for the disposal of military surplus property. I felt then, as Senators have heard me say before, that it was unfair to apply the formula to military property and not to other property. So during the consideration of the Unanimous Consent Calendar since 1946 I have applied to the disposal of all Federal property what has become known as the Morse formula.

Briefly, the formula requires that if the transfer of Federal property is to be for public use, the local governmental unit obtaining the property shall pay 50 percent of the appraised fair market value. If the transfer is for private use, the purchaser shall pay 100 percent.

The record is perfectly clear that since 1946 the application of the formula has resulted in savings to the taxpayers of the United States of more than \$400 million, which, I may say somewhat boastfully is no small economy item for one Senator to have accomplished. In the Senate we hear much about economy, and I have tried to practice it in the application of this formula. It has not always been easy. Sometimes I have been misunderstood.

My statement applies also to a bill pertaining to Virginia, which the Senator from Virginia [Mr. BYRD] will call up shortly. There is a basis for reconciling both bills with the formula, so far as I am concerned, and I am happy to say so. My only reason for rising to discuss the bills is to protect the record as to my consistency in the matter.

On June 1, 1952, as the RECORD for that day will show, when I was unfortunately unable to return to the Senate for a calendar call, some Senators, in my absence, misinterpreted a bill on the calendar, in the sense that they felt that I was inconsistent in the application of the formula, because the particular bill happened to apply to some Oregon property.

I say again today, as I said on June 2, 1952, there is not a Member of the Senate who can cite a single instance since 1946 when I have been inconsistent in the application of the formula, whether the property involved applied to Oregon transfers or to transfers in any other

State of the Union. I think I can submit as my best witness on the matter the senior Senator from Virginia [Mr. BYRD] himself, because I am certain he will recall that some years ago a bill on the Unanimous Consent Calendar proposed to transfer about one-fifth of an acre of land from the Federal Bureau of Mines property to Albany, Oreg. I had not seen it on the calendar. When the calendar was called that day, my good friend, the Senator from Virginia, walked over to me and said, "Wayne, when we get to the Oregon bill, if you would like to have me object for you, I shall be glad to do so." I said, "What is the bill?" He called it to my attention. I looked at it and said—and I am sure the Senator from Virginia will not object to this informality, because we are good friends—"Harry, when I cannot do my own objecting on Oregon property, I shall not be objecting to transfers in any other State."

I objected to that transfer. My colleague the senior Senator from Oregon [Mr. CORDON] was handling the bill on the floor of the Senate. I suggested that he accept my amendment. He said he was not in a position to do so, but, as the RECORD will show, he said he hoped his colleague would offer the amendment and that the Senate would agree to it. That is what the RECORD shows.

The interesting sequel is that when I went to Albany, Oreg., some time later, to talk to the chamber of commerce, they very good-naturedly said they were happy to get the property, were perfectly willing to pay for it, and were very glad the matter had been handled as it had been. They said they appreciated the way both Senators from Oregon had handled the transfer on that particular calendar day.

However, I wish to incorporate by reference, without having it again placed in the RECORD, because it already appears in the RECORD, the speech I made on June 2, 1952, as demonstrating my consistency, and I make the same statement tonight I did on June 2, 1952: I ask anyone to find a single instance in which I have been inconsistent in the matter.

However, Mr. President, in my judgment, after thorough study, the two bills we shall discuss tonight are bills to which the formula does not apply, and I shall take a moment now to explain why it does not apply in the case of the Rupert, Idaho, bill. I hope the Senator from Idaho will accept two small amendments and that the Senate will then agree to them.

In the Idaho case there are three small tracts of land involved. The total acreage is less than 10 acres. Rupert, Idaho, was really platted out under a public land grant back in 1906. The committee report states:

The city of Rupert was located initially on public land which was platted and sold in connection with the development of the Minidoka project, Idaho, pursuant to the act of April 16, 1906 (34 Stat. 116). The first two tracts mentioned in the bill are a portion of the platted land designated as public reserve. The cited act provides for the ultimate donation of tracts so designated to the

municipal government upon condition that they be used forever for public purposes.

So, as to these two tracts, we are dealing with an act of Congress of 1906, which leaves no room for doubt that the tracts were donated to the city of Rupert in 1906 for public purposes. The Morse formula simply cannot be applied to that situation.

There is some question as to a cloud on the title, and the clouded title ought to be cleared up by the bill. But the taxpayers of the United States are losing nothing by the transfer of the two tracts, because the transfer was, in fact, made back in 1906. It is not a question whether, if I were in the Senate in 1906, I would have agreed to the bill. The donation was made in 1906.

On one of these tracts there are some veterans' houses. The Senator from Idaho and I—I think I express his point of view; at least I express mine—are in doubt as to just what is contemplated by the bill in respect to those houses. If I correctly understand the Senator from Idaho, he thinks that the houses do not go with the property; but only to protect my record of consistency, I should like to have an understanding that, if the bill passes, it will be with the understanding that the city of Rupert will not get the houses. They belong to the taxpayers of the country. I do not know what value they have. The Senator from Idaho has supplied me with some factual information, to the effect that originally they cost only some \$42,000. They were veterans' houses which were transferred from some other western city for veterans' purposes. If we can have the understanding that it is the land that we are transferring, and that the Federal Government will get at least 50 percent of the appraised fair market value of the houses, even if they are to be sold on a salvage basis, which I understand is the basis on which they will have to be sold, because they are practically non-serviceable now—if we can have that understanding, and if there can be written into the bill, on page 2, line 9, the following proviso, which is simply a repetition of the original purpose of Congress in 1906, I shall have no objection. The proviso is as follows:

Provided further, That the said lands shall be used for public purposes only.

If that proviso is inserted, I shall have no objection whatsoever to the transfer of the first two tracts, and, I shall have no objection with respect to the third tract, after I finish my explanation of it.

To repeat, as to the first two tracts, in my judgment title already is in the city of Rupert, under the act of 1906. All we are doing by this bill is removing any possibility of a cloud being on the title. We are inserting in the bill the original intention of Congress, namely, that the land shall be used for public purposes only. That is being specifically spelled out in the bill.

As to the third tract, which is a piece of property less in area than 4 acres, it is really a drainage ditch owned by the Federal Government. It is used to take

off surface water. It is a hazard to safety. The city of Rupert proposes to place a cover over it, either of concrete or some other material, so that it will not be an accident hazard, and to relieve the Federal Government of any expense in connection with the upkeep of the drainage ditch. I think obviously it is a piece of property which ought to belong to the city. It is a piece of property which ought to be maintained by the city. It is a piece of property the expense for maintaining which ought to be taken off the backs of the American taxpayers.

It illustrates the principle of de minimis, so far as any possible Federal interest is concerned. In fact—and I take a little pride in being at least a fair horse trader—I consider this to be a pretty good trade. If we can get the people of Rupert, Idaho, to take this ditch off the hands of the Federal taxpayers, so far as maintenance is concerned, I think we are getting adequate consideration, and that the formula is not in any way violated. However, I make this statement so that no one—as happened when I was absent on a prior occasion—will cite this case as involving any inconsistency with the Morse formula. It does not, if my proposed amendment is accepted. It will be completely consistent with the Morse formula.

I close the discussion of this bill by asking the Senator from Idaho [Mr. DWORSHAK] if he will agree, first, to the insertion in line 9 on page 2 of my proviso:

Provided further, That such lands shall be used for public purposes only.

I also ask if he will agree with our interpretation of the bill, that we are not giving the houses to Rupert, Idaho. We are applying the formula as to the houses. "In fact, there is some doubt in our minds as to whether or not the Federal Government owns them entirely, and would be entitled to the entire proceeds. But in this case, because the transfer is for a public purpose, I shall be perfectly willing for Rupert, Idaho, to get the houses at 50 percent of the appraised market value, even though the value may be only salvage value. However, I do not think, on the basis of our discussion, that it is necessary to put the 50-percent clause in the bill, because the supporting documents which the Senator from Idaho has given me, plus his comments on the situation, lead me to the belief—which I think is the same as his—that there is no attempt on the part of the city of Rupert, Idaho, to get the houses. The city of Rupert, Idaho, expects the Federal Housing Administration to take care of the houses. It is only the land that it is asking for. It turns to the Federal Housing Administration to get rid of its own houses.

Is that a fair understanding?

Mr. DWORSHAK. Mr. President, I am in substantial accord with the explanation which has been made by the Senator from Oregon. I call his attention to the fact that when the bill was first presented to me the then Solicitor of the Interior Department recommended an

amendment, which has been included in the bill, and from which I quote, as follows—

The PRESIDING OFFICER (Mr. MARTIN in the chair). Will the Senator from Idaho suspend for a moment so that the committee amendments may be first disposed of, followed by the amendment of the Senator from Oregon?

Mr. DWORSHAK. Certainly. The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

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

The LEGISLATIVE CLERK. On page 2, at the end of line 9, it is proposed to add the following proviso:

Provided further, That such lands shall be used for public purposes only.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

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

Mr. MORSE. Mr. President, I should like to have the Senator from Idaho complete his statement, for the purpose of the legislative history.

Mr. DWORSHAK. Mr. President, I quote from the bill in reference to the temporary housing units, under the Lanham Act. In the bill it is specifically stated, "it being understood that the rights and obligations of the United States and the city of Rupert under said contract shall not be in any way affected by such transfer."

I think the Senator from Oregon has explained the status of the three tracts, and I agree with him. As I pointed out when the bill came up on the call of the calendar, I am absolutely sure that this measure conforms with the requirements of the formula which he has applied in the past.

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

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

DISPOSITION OF CERTAIN LANDS BY THE COMMONWEALTH OF VIRGINIA TO THE SCHOOL BOARD OF MECKLENBURG COUNTY, VA.

Mr. FERGUSON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 472, being House bill 4072.

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

The CHIEF CLERK. A bill (H. R. 4072) relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va.

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

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, I wish to make a brief statement regarding this bill, again in the interest of protecting my record in connection with any future bills which may come up on the same general subject.

When this bill was before the Senate the other day and I asked for time to study it—I had not had an opportunity to study it when it was first called—the question was raised as to whether or not the Morse formula applied to transfers for educational purposes. It always has. I shall not take too long a time to put some of the evidence in the RECORD.

I wish to call attention, for the RECORD, to a colloquy of April 17, 1951, which will be found in the CONGRESSIONAL RECORD for that date, in volume 97, part 3, pages 3961 and 3962. The colloquy was between the Senator from South Dakota [Mr. CASE] and myself.

Mr. CASE. The question I should like to propound to the Senator from Oregon is this: In connection with the formula which the Senator has explained, has any modification been made of the principle in its application to educational institutions? It runs in my mind that a modification of the 50-percent requirement was made on transfers of property to educational institutions.

Mr. MORSE. I may say to the Senator from South Dakota that I know of no modification. His question raises an interesting point. It refers to a case which came before us in 1947. I recall the incident as though it was yesterday. The then Senator from Minnesota, Mr. Ball, offered a bill which sought to give a Federal fish hatchery in Minnesota to the University of Minnesota. Incidentally the University of Minnesota is my alma mater. Former Senator Ball joshed me a little about it. He said, in effect, "I do not suppose the Senator from Oregon particularly objects to his alma mater getting the fish hatchery." Mr. President, the RECORD will show that my reply was to the effect that it made no difference to me who was going to get it, for whether it was the University of Minnesota or any other body they ought to pay 50 percent of the appraised fair market value for the property. That is what happened in the case. The amendment was adopted. That is what the University of Minnesota had to pay.

Mr. President, I am going to ask for the insertion at this point in my remarks, without taking the time to read them, of other precedents, which are set forth in the table, in which I have applied the principle of the Morse formula with respect to transfers to educational institutions, including one in California. It relates to the Churntown Elementary School District of California. The property involved was eighteen one-hundredths of an acre of land, which the school district wanted. The formula was applied. I ask unanimous consent that the table may be printed in the RECORD at this point in my remarks.

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

Transfer of Federal property to State universities and local school districts—History of bills objected to by Senator Morse on grounds of inadequate consideration

Bill No.	Public Law No.	Property involved	Proposed use of property	Consideration indicated in bill reported by Senate committee	Consideration—Resulting from Morse objection or amendment	CONGRESSIONAL RECORD citation (permanent bound volumes)
S. 2676, 80th Cong.....	822	Approximately 5 acres.	Duluth Junior College of University of Minnesota for construction of faculty housing units and laboratory space.	Nothing.....	"50 percent of the appraised value of the property as determined by the U. S. Department of the Interior (Secretary of Interior reported that this legislation resulted in the payment to the United States of \$4,500.50)."	94 CONGRESSIONAL RECORD 7942-7943 (June 12, 1948).
H. R. 164, 81st Cong.....	54	10-plus acres to Churntown Elementary School District, California.	Public-school purposes....	"Present valuation as fixed by Secretary of the Interior."	"50 percent of the appraised value of the property as determined by the U. S. Department of the Interior."	95 CONGRESSIONAL RECORD 4254 (Apr. 11, 1949).
H. R. 6230, 81st Cong.....	412	1 $\frac{1}{2}$ 100 of an acre.....	Part of right-of way for highway; title to be acquired by school district.	Nothing.....	"50 percent of the fair market value."	95 CONGRESSIONAL RECORD 14708 (Oct. 17, 1949).
H. R. 5314, 82d Cong.....		20-acre tract of land used as an agricultural experiment station.	Experiment station relative to production of grapes, maintained by University of California.	do.....		98 CONGRESSIONAL RECORD 6325-6326 (June 2, 1952). 98 CONGRESSIONAL RECORD 7706-7708 (June 20, 1952). 98 CONGRESSIONAL RECORD 7817 (June 21, 1952). 98 CONGRESSIONAL RECORD 9059 (July 3, 1952).

Mr. MORSE. Mr. President, those cases dealt with bills which provided for the transfer of land in the first instance to a school district for nothing, or to a local governmental unit for nothing, for school purposes. Since 1946 the formula has been applied.

The facts in the pending case are different. We are dealing with a situation in which the grant was made to the State of Virginia, as I recall, in 1943. The grant was of a piece of property embracing approximately 40 acres of land for park and recreational and public purposes.

Mr. President, again it is immaterial whether or not, if the Senator from Oregon had been in the Senate in 1943, he would have voted for that grant without the State of Virginia paying 50 percent of the appraised fair market value.

The grant was made. Again we have a situation where there is a cloud on the title of the property. All the Federal Government has is a reversionary interest in the property. It has an interest, obviously, of little, if any, value if the land continues to be used for public purposes.

I wish to have the careful attention of the Senator from Virginia [Mr. BYRD], because if I can have an understanding with him, I will withdraw any objection I have to the pending bill, whatever my objection may be worth.

Because of the fact that the transfer has already been made, and because of the fact that I think Congress clearly expressed in the transfer that it was to be used for park and recreational and public purposes—although it did not use specifically the word "educational," I am satisfied that the intention of Congress was pretty clear—if we can have an understanding that in this case the transfer of this property is made for school purposes, with the understanding that the property will revert to the Federal Government if it is ever used for anything but public purposes, I will withdraw my objection.

I am reinforced in the position I am now taking by another factor of consideration, namely, that, even considering whatever value the reversionary interest of the Government may have, the property is going to be used to serve in part the Federal interest, too, in that it concerns Buggs Island, Va., on which there is a military installation, I understand, and the use of the property for school purposes is to serve also Federal interests as well as State interests, although the property is in the State of Virginia, which has complete control so far as educational services are concerned.

So when we grant this piece of property under the conditions I am approving, so far as my formula is concerned, we are also serving a Federal purpose, which I think is ample consideration for whatever small value the reversionary interest of the Federal Government may be in this property.

Let me make clear, so no one in the future will charge inconsistency against me, that I am withdrawing the objection only because I believe it is clear, when we read the statute of 1943 providing for the original grant, that the intent of Congress was to permit the property to be used for public purposes.

I want it also to be understood that, so far as I am concerned, if any Senator proposes a bill calling for an out-and-out grant, without any payment, of Federal property to any school district in his State, I will apply the formula, because we have jurisdiction now, whereas we do not have any retroactive jurisdiction over what was done in 1943. Congress did it that way then. Now a different policy has been adopted so far as the application of the formula is concerned.

With that explanation, Mr. President, and if I can have an understanding, so far as the legislative history is concerned, with the Senator from Virginia, that the purpose of the bill is to transfer the property for school purposes, which constitute a public purpose, and

not for a private purpose, such as its use as an industrial site for a private business, or for selling it off in lots for a real-estate development, but to devote it to public purposes, so as to keep alive the reversionary interest, I have no objection.

Mr. BYRD. Mr. President, I was one of the Senators who collaborated with the Senator from Oregon in the establishment of his formula. I do not concede that the pending bill in any sense comes within the formula. The bill relates to land already owned by the State of Virginia. There is no transfer from the Federal Government under the proposed legislation. On June 6, 1942, this particular piece of property was transferred by the Federal Government to the State of Virginia for the use of public park, recreational, and conservation purposes.

A demand has developed for the construction of a high school building in Mecklenburg County, Va. It has been brought about to some extent by the fact that there is underway a Government construction project—it is not a military project—known as the Buggs Island Dam, one of the largest of such projects in the country. The construction work on the dam has brought to the locality a great many workmen, with their families, and so there has been occasioned a great need for additional school facilities.

All that the bill would do—and it originated in the House and has the approval of the Director of the Budget and the Secretary of the Interior—would be to provide that 40 acres of the conveyance which was made by the Federal Government to the State of Virginia on June 6, 1942, could be used for the purpose of the construction of the high school.

I do not know what the original transfer provided; but I assume that it provided that when in 1942 the land was transferred to the State of Virginia it would be used only for public purposes.

One of the reasons for urgency in the passage of the bill is that the county of Mecklenburg has obtained title to the property from the State of Virginia and will shortly advertise a large bond issue, in order to erect the school building on the property. Everyone knows that those who handle such bonds are very meticulous with respect to the ownership of property on which a school building is to be constructed.

The bill has the purpose of making it clear that the State of Virginia has conferred the right upon the county of Mecklenburg in Virginia to use this particular property for school purposes, although the original grant from the Federal Government to the State of Virginia confined it to public park, recreational, and conservation purposes.

There is no question of the transfer of property from the Federal Government at this time. That is what is involved in the Morse formula which I had a small part in developing and of which I have been a consistent supporter. However, there is no transfer of property by the Federal Government.

Mr. President, I hope there will be no further objection to the bill. I cannot give any assurance to the Senator from Oregon about the use of the property, except such as is contained in the grant which was made by the Federal Government to the State of Virginia in 1943, pursuant to the act of June 6, 1942. I have not looked back beyond that.

I would resist any change whatever in the bill, because it has been drawn carefully by lawyers who are familiar with such matters, and particular care has been exercised because of the prospective bond issue, by the people of Mecklenburg County, Va. Those bonds must be sold, in order that the School Board of Mecklenburg County may be able to erect a school building upon this property.

Knowing the great interest of the Senator from Oregon in education, I am sure he would not wish to deny the State of Virginia the right to use the property for that purpose. The Federal Government had nothing to do with the property, except in respect to its use for recreational purposes. Certainly educational purposes are just as important. Under this bill the land will be permitted to be used only for educational purposes.

Mr. MORSE. Mr. President, let me say, most respectfully, that I do not agree with the last statement made by the Senator from Virginia. I point out that educational purposes are not the only purposes referred to in the bill, because on page 2 of the bill we find the following statement:

Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the Commonwealth of Virginia are hereby released as to the particular lands herein authorized to be transferred.

In other words, it is said, in effect, that although it is requested that the 40 acres be made available for the public purpose of the construction of a school, it is not desired to have the use of the land limited to school purposes.

Mr. BYRD. Mr. President, if the Senator from Oregon will yield, let me refer to the first page of the bill, which states, in part, that—

The Commonwealth of Virginia is hereby authorized to convey to the School Board of Mecklenburg County for school, recreational, or highway-widening purposes—

And so forth. So the use is limited to that.

Mr. MORSE. That is true, and I am willing to accept that. But I am not willing to accept the provision beginning in line 3, on page 2, because it would wipe out the reversionary clause; and once that was wiped out, they could proceed to change their minds.

Mr. BYRD. Mr. President, the Senator from Oregon certainly can trust the State of Virginia, can he not? This property is not worth more than \$300 or \$400. I do not believe the State would violate the provision to the effect that the property may be used for school, recreational, or highway-widening purposes. No land grab is involved in this case. This land is cheap. It is not located in a populous area. The people of this area are struggling to erect a school building which is needed there very badly. I do not see why the Senator from Oregon should attempt to hold up action on the bill.

Mr. MORSE. Mr. President, if the Senator from Virginia will listen to my explanation on that point, he will see that I am being exceedingly fair, and that I am doing all I can to get the property for Virginia, to be used for school and other purposes.

Under my proposal, the act of 1942 would not be broadened. I am simply saying that I would not agree to give to the State of Virginia, without any conditions attached to it, land which in the first place was granted with a condition attached to it.

In this connection let us refer to the United States Code.

Mr. BYRD. Mr. President, the Senator from Oregon is a lawyer, and I am not. If a reversionary interest attaches to the land, will not there be some question about the title to the land, in connection with the proposed bond issue? This matter has been gone over very carefully by the lawyers in consideration of the proposed bond issue. We do not wish to have the property in such condition that the bonds cannot be sold.

Mr. MORSE. Of course there is a question of title, by reason of the fact that a reversionary interest is retained. But that is the way the property was obtained in the first place.

Mr. BYRD. Even so, is not the Senator from Oregon willing to have the county, which is not a wealthy one, issue bonds in order to be able to erect a school building for the benefit of the children of that area?

Mr. MORSE. Of course. But the Senator from Virginia is asking me to subscribe to a principle to which I cannot subscribe. For instance, another case of this sort, affecting property in the vicinity of Sacramento, Calif., where the land might be worth several million dollars, might be involved. Certainly

the principle cannot be ignored in one instance and applied in another.

The proposed use of the land is not at all controlling. If bonds are proposed to be issued, in order to make it possible to erect a building for school purposes, the property can be used for that purpose, of course.

Mr. McCARRAN. Mr. President, I think the Senator from Oregon will recognize that a reversionary interest would attach under his suggestion, and undoubtedly it would cause a complication in respect to the issuance of bonds. There is no question about that, in my mind.

Mr. MORSE. But it would not prevent the floating of a bond issue.

Mr. McCARRAN. It would, to the extent that the attorneys would be confronted with a new situation, which would delay the entire matter, in my judgment.

Mr. FERGUSON. Mr. President, will the Senator from Oregon yield to me, for a question?

The PRESIDING OFFICER (Mr. MARTIN in the chair). Does the Senator from Oregon yield to the Senator from Michigan?

Mr. MORSE. I yield.

Mr. FERGUSON. Does not the Senator from Oregon feel that when the title is examined in connection with the proposed sale of bonds, if a reversionary interest were found, there would be objection on that ground?

Suppose the school building was erected and suppose an unforeseen development occurred—something which could not possibly be anticipated at this time. For instance, suppose future conditions became such that no students remained in the area, and therefore there was absolutely no use for the school building and no use for the land for any other public purpose. Certainly it would seem that in that event the bondholders would be entitled to be able to recoup whatever they could, by having the land used for industrial or other purposes. Otherwise they would lose everything they had invested.

I am satisfied that anyone who examined the title and who found a reversionary interest, would feel that he could not declare the title to be free and clear. Does not the Senator from Oregon feel that way about the matter?

It is said that at the present time the land has only a small value, and that the land would be considered along with the school building, as part of the fee simple. Therefore the improvement which will be placed on the land—a school building—would become part of the land, and would revert to the Federal Government. I do not believe the Federal Government would wish to take the building away from the bondholders under those circumstances, in view of the fact that the land is of such small value.

Mr. McCARRAN. Mr. President, I respectfully suggest that, insofar as I am concerned, I have rather admired the formula set up by the Senator from Oregon. But in this instance I would plead with him that because of the bond issue, the formula should not apply.

Mr. MORSE. Mr. President, first I wish to ask—without taking time to read

the relevant portion of the code, for it simply sets forth what the Senator from Virginia and I have pointed out as to the conditions attaching to the transfer in the first instance—to have printed at this point in the RECORD, from page 1670 of the United States Code, title 16, subsection 459r, relating to the "disposition of recreational demonstration projects," which was the original statute of 1942, under which the property was granted to the State of Virginia in the first instance, with the reversionary interest to the Federal Government; and also subsection 459t, of the same section of the code, on page 1671.

The title of the latter is "Secretary of Interior authorized to execute deeds and leases for project lands; inclusion of conditional covenants"—which is the provision which places upon the Secretary of the Interior the obligation of retaining for the benefit of the Federal Government the reversionary interest, so that if at any time the State of Virginia ceased to use the land for public purposes, the land would revert to the Federal Government.

I think those subsections of the code should be printed at this point in the RECORD, as part of my remarks, in order to show the legislative history in connection with the bill. I ask unanimous consent for that purpose Mr. President.

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

UNITED STATES CODE, TITLE 16—CONSERVATION
RECREATIONAL DEMONSTRATION PROJECTS
459r. Disposition of recreational demonstration projects.

Except as provided in section 459s of this title, the Secretary of the Interior is authorized, with the approval of the President, to convey or lease to the States or to the political subdivisions thereof, without consideration, any or all of the recreational demonstration projects and lands, improvements, and equipment comprised within such projects transferred to him by Executive Order No. 7496, dated November 14, 1936, or any parts of such projects, when in his judgment such grantees or lessees are adequately prepared to administer, operate, and maintain such project areas for public park, recreational, and conservation purposes, or he may, with the approval of the President, transfer to other Federal agencies any of the aforesaid recreational demonstration areas that may be of use to such agencies. (June 6, 1942, ch. 380, No. 1, 56 Stat. 326.)

459t. Secretary of the Interior authorized to execute deeds and leases for project lands; inclusion of conditional covenants.

The Secretary of the Interior is authorized to execute on behalf of the United States all necessary deeds and leases to effect the purposes of sections 459r-459t. Every such deed or lease shall contain the express condition that the grantee or lessee shall use the property exclusively for public park, recreational, and conservation purposes, and the further express condition that the United States assumes no obligation for the maintenance or operation of the property after the acceptance of such deed or during the term of such lease, and may contain such other conditions not inconsistent with such express conditions as may be agreed upon by the Secretary and the grantee or lessee: *Provided*, That the title and right to possession of any lands so conveyed or leased, together with the improvements

thereon, shall revert to the United States upon a finding by the Secretary, after notice to such grantee or lessee and after an opportunity for a hearing, that the grantee or lessee has not complied with such conditions during a period of more than 3 years, which finding shall be final and conclusive, and such lands and improvements thereon, upon such reversion to the United States, shall be returned to the jurisdiction of the Department of the Interior and upon determination of the Secretary may be considered as surplus real property to be disposed of in accordance with sections 304a and 304b-304e of title 40. (June 6, 1942, ch. 380, No. 3, 56 Stat. 327.)

Mr. MORSE. Mr. President, I wish to be very frank with my colleagues. I recognize the equities of this situation, insofar as the arguments of the Senator from Virginia, the Senator from Nevada, and the Senator from Michigan are concerned. However, the fact remains that so far as the Federal Government is concerned, the value of the property is very little. The Senator from Virginia says perhaps the property has a value of \$300 or \$400. I think probably it is less than that.

The Senator from Virginia has been very kind to me in our discussion of this matter, as we have expressed our respective views upon it. Apparently a time factor is involved, so that even if the authorities in Virginia were willing to pay 50 percent of the appraised fair-market value of whatever small interest the Federal Government has in the property, yet if a State officer were required to take steps to make that payment, an act by the Virginia Legislature might be required.

Of course, the school board of the county wishes to proceed as quickly as possible with construction of the school. I understand that, and I sympathize with it. However, Mr. President, this bill is before the Senate on motion. For the RECORD, I am never going to make an exception to my rule, because I know the Senate too well. I have had to battle through this for this principle on too many occasions, sometimes in cases involving eighteen one-hundredths of an acre of land. It has not been easy. I am not going to make any exception. I think the language on page 2 of the bill, beginning on line 3—

Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the Commonwealth of Virginia are hereby released as to the particular lands herein authorized to be transferred—

Violates the principle for which I have been fighting over the years. I shall not accede to any request to change my position. The bill is here on motion. I suggest that the Chair put the question.

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

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

Mr. MORSE. Mr. President, let the RECORD show that I voted against the bill.

The PRESIDING OFFICER. The vote of the Senator from Oregon is so recorded.

AGRICULTURAL ADJUSTMENT ACT OF 1938—AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS

Mr. FERGUSON. Mr. President, I move that the Senate proceed to the consideration of House bill 5451, Calendar No. 521. I desire to make it the unfinished business.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. FERGUSON. Mr. President, if there is no further business to come before the Senate tonight, I am about to move a recess.

Mr. MORSE. Mr. President, I think the understanding was clear, but I do not know that there was an out-and-out agreement. I had a discussion this afternoon with the acting majority leader, and it was my understanding that I would be recognized tomorrow following the morning hour.

The PRESIDING OFFICER (Mr. MARTIN in the chair). When the morning hour is concluded tomorrow, the Senator from Oregon will be recognized.

RECESS

Mr. FERGUSON. Pursuant to the order previously entered, I move that the Senate stand in recess until 11 o'clock, a. m., tomorrow.

The motion was agreed to; and (at 8 o'clock and 46 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, July 11, 1953, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of July 6), 1953:

IN THE AIR FORCE

Gen. Lauris Norstad, 25A (major general, Regular Air Force), United States Air Force, to be air deputy to the Supreme Allied Commander, Europe, with rank of general and as general in the United States Air Force, under the provisions of sections 504 and 515, Officer Personnel Act of 1947.

Maj. Gen. William Henry Tunner, 374A (brigadier general, Regular Air Force), United States Air Force, to be commander in chief, United States Air Forces in Europe, with the rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. Donald Leander Putt, 494A (brigadier general, Regular Air Force), United States Air Force, to be commander, Air Research and Development Command,

with the rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10 (legislative day of July 6), 1953:

DEPARTMENT OF LABOR

Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

FEDERAL MEDIATION CONCILIATION SERVICE

Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

NATIONAL LABOR RELATIONS BOARD

Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board, for the remainder of the term of 5 years expiring August 27, 1955.

FEDERAL MARITIME BOARD

Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board for the term of 4 years, expiring June 30, 1957.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 10, 1953

The House met at 10 o'clock a. m. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who hast blessed us with the priceless gift of a beautiful new day, may there be nothing in our thoughts, words, and deeds of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Inspire us with a loftier conception of the dignity and sanctity, the meaning and mission of life and may we have a clearer vision of its glory and greatness and peacefulness when spent in being good and doing good.

Grant that on the battlefields of life, as we struggle for the sovereignty of high ideals and principles, we may never become discouraged or despair of the reality of goodness and the triumph of righteousness.

Help us to feel that it is far better and nobler to fail in the right than to succeed in the wrong.

Hear us in the name of the Captain of Our Salvation whose strength is invincible and whose kingdom of love and peace will some day be gloriously victorious. Amen.

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

AMENDING TARIFF ACT OF 1930 AND RELATED LAWS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 327, Rept. No. 761), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5877) to amend certain administrative pro-

visions of the Tariff Act of 1930 and related laws, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 6200, Rept. No. 762) which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CANNON reserved all points of order on the bill.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that Subcommittee No. 3 of the Armed Services Committee be permitted to sit during general debate today.

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

There was no objection.

MUTUAL SECURITY ACT OF 1953

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes.

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

There was no objection.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. 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. 85]

Barden	Gamble	O'Neill
Bates	Gwinn	Patten
Beamer	Hagen, Minn.	Powell
Blatnik	Hardy	Reed, Ill.
Bonner	Hébert	Rivers
Buckley	Hess	Shafer
Byrd	Hinshaw	Sikes
Celler	Johnson	Tuck
Cunningham	Kilday	Whitten
Dawson, Ill.	Lucas	Wigglesworth
Dolliver	McVey	Williams, Miss.
Durham	Miller, N. Y.	Wilson, Calif.
Ellsworth	Mollohan	Wilson, Ind.
Fisher	Moulder	
Fogarty	Nelson	

The SPEAKER. Three hundred and eighty-one Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXCESS-PROFITS TAX EXTENSION

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 326 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH] and at this time I yield myself such time as I may require.

Mr. Speaker, early in the year the President of the United States, the membership of his entire Cabinet, his financial advisers, the Republican leadership of both the United States Senate and House of Representatives held that in order to safeguard our national security and financial stability, there should not be any reduction in individual income tax; and that the excess-profits tax should be extended until December 31 of this year.

At long last a bill for the extension for 6 months of the excess-profits tax is before us for consideration. Without question it is before us by the way of orderly procedure. The Ways and Means Committee reported this bill by a vote of 16 to 9.

On yesterday, members of the Ways and Means Committee of both the majority and the minority appeared before the Rules Committee and without exception asked for a closed rule with but one motion to recommit. The Rules