

1955

CONGRESSIONAL RECORD — SENATE

9905

money and contracts than any other agency of the Federal Government.

It will be recalled that of the nominees for Secretary of Defense, Deputy Secretary of Defense, Secretary of the Army, Secretary of the Air Force, and Secretary of the Navy, only the Secretary of the Navy had anticipated the obvious conflict of interest problem and taken steps in advance to remove any such problem.

Messrs. Wilson, Kyes, Stevens, and Talbott not only did not anticipate the problem, but they initially resisted divesting themselves of substantial holdings in corporations with which the Defense Department dealt. Finally, and with reluctance, they surrendered their stockholdings. Each one demonstrated callous lack of understanding of the conflict-of-interest problem.

In the hearing on Roger Kyes' nomination as Deputy Secretary, committee members expressed concern that his close relationship with General Motors would affect his impartiality in official dealings with that major Defense Department contractor. This exchange took place in the hearings:

Senator JOHNSON. Have you any plans or any agreements or agreement to return to General Motors following your Government service?

Mr. KYES. General Motors has told me, because of my record, they would be very happy to have me come back at any time. I enjoyed my association with General Motors, but there is absolutely no commitment on the part of either party with respect to the future.

I do not question the reply made by Mr. Kyes. It is important to bear in mind that the discharge of the duties of Deputy Secretary could be affected, consciously or unconsciously, by the possibility, if not the probability, of his return to General Motors.

After serving 15 months as Deputy Secretary, Kyes resigned on May 1, 1954, and returned to General Motors as a vice president.

In addition to the Defense Department nominees, other Cabinet appointments presented conflict-of-interest problems, which, though solved formally with greater ease, nevertheless raised the problem that big business and big banking would be the dominant force in the President's official family.

The Secretary of the Treasury was the head of one of the large banking and business concerns in the Nation—M. A. Hanna & Co.

The Secretary of Commerce was engaged in manufacturing, and was a director of large manufacturing companies and the First National Bank of Boston.

The Postmaster General also came from the ranks of General Motors, having had one of the largest Chevrolet dealerships in the country.

The Secretary of the Interior also had a large General Motors dealership.

The Attorney General came from one of the large New York law offices, representing large corporations.

The other Cabinet members, with the sole exception of Labor Secretary Durkin, were people who were associated with large business enterprises or possessed great wealth.

Conflict of interest aside, this almost unrelieved pattern meant it could not help but mean that Government was to be, by, of and for big business and banking.

Although not a Cabinet member, the Director of the Bureau of the Budget wields great power. To this post the President appointed a Detroit banker, who is once again a Detroit banker.

This fitted the pattern—with what effect I shall discuss later in a little detail.

AN EARLY ATTACK UPON INDEPENDENT GOVERNMENT—ASTIN AND ADX2

Early in the administration, the big-business philosophy which dominated the major Eisenhower appointments erupted into an open attack upon independence in the discharge of governmental functions.

Assistant Secretary of Commerce Sheaffer, of the Sheaffer Pen Co., attempted to dismiss Dr. Allen Astin. What was Astin's offense? It was diligent discharge of his duty. He insisted that the scientific tests of the United States Bureau of Standards, which he directed, showed that a battery additive did not do what was claimed for it by its manufacturer.

Sheaffer contended that Astin paid insufficient attention to the standards of the market place. Astin refused to play dead and pretend that ADX2 was a battery cure-all.

I was among the first in Congress to protest this outrageous attempt to intimidate Government officials, to force the Bureau of Standards to sacrifice its scientific standards, to impose the market place standard of "let the buyer beware." The outcry of scientists and citizens and the press forced a temporary retreat as Astin had his term extended briefly. When the furore died down Astin stayed on, and Sheaffer left Government several months later.

At no time did the President or Secretary of Commerce disown or rebuke Sheaffer's attempts. This, too, is an administration pattern—retreat under fire, but never reject conduct that is against the public interest.

DODGE, WENZELL AND ARMSTRONG

The sordid Dixon-Yates story is too well known to require minute repetition. But the main outlines are part of the pattern.

Banker Dodge, Director of the Budget Bureau, imported Banker Wenzell to participate in the planning of the attack upon TVA. Wenzell's firm, the First Boston Corp. had a direct interest in the Dixon-Yates combine as it was to handle financing of the scheme—without a fee, the public is now assured.

That is a very charitable gesture. Even assuming that no fee was intended for this financial service, Wenzell's corporation has an indirect interest in promoting the interests of its private utility customers at the expense of TVA—and TVA's customers. This investment banking house makes money from such transactions and is understandably eager to hem in and destroy public power agencies.

The Bureau of the Budget went so far in its private utility partisanship as to

withhold information from the Congress by omitting mention of Wenzell and the conferences of Dixon-Yates in which he participated. It removed those dates from what was represented to be a complete summary and chronology of the Dixon-Yates deal.

The great Senator from New Mexico [Mr. ANDERSON] deserves high credit for the fine public service he has rendered in disclosing these manipulations and maneuverings on the part of the Bureau of the Budget in connection with the Dixon-Yates chronology.

Has the President, Budget Director Hughes, or any other administration official rebuked this dishonesty? Apparently not.

SECRET INTERVENTION IN QUASI-JUDICIAL PROCEEDINGS

But the deception does not end there. In an attempt to secure congressional approval of the President's request for over \$6 million for a transmission line to carry Dixon-Yates power, Presidential Assistant Sherman Adams secretly contacted Chairman Armstrong of the SEC, a recent Eisenhower appointee.

He asked Armstrong to postpone a hearing at which Wenzell was to testify just at the time the House of Representatives was to consider the Dixon-Yates transmission-line appropriation. Armstrong not only discussed the matter with him—itself a breach of his quasi-judicial status—but granted the request.

Of course, in his quasi-judicial capacity, what Armstrong clearly should have said was that under no circumstances would he discuss the subject, because it involved the question of his judicial responsibility.

Armstrong says Adams told him he wanted the delay because Attorney General Brownell was out of town. Certainly the Department of Justice could have made the request in open hearing, where the parties in interest could agree or protest.

This behind-the-closed-door dealing is in marked contrast to the open, on-the-record intervention of the Departments of Agriculture and Interior before the Federal Power Commission in the Hells Canyon case during the Truman administration.

The action of Adams and Armstrong constitutes a flagrant perversion of the quasi-judicial functions of the SEC.

BEESON AND HOWREY AND LYONS

Another set of nominations submitted by the President which are disruptive of even handed Government are those which consist of appointing men who have represented the industry or interests subject to regulation.

The most shocking examples were:

First, Beeson's appointment to the NLRB in the light of his past activities as an employer representative and his evasive testimony as to his continued affiliation with his employer.

Second, Howrey's appointment as Chairman of the Federal Trade Commission. He was one of the principal attorneys for anti-trust respondents in FTC proceedings; the subsequent weakening of the FTC has substantiated the fears expressed before his confirmation. The President's refusal to reappoint

25 YEAR RE-REVIEW

9906

CONGRESSIONAL RECORD — SENATE

July 26

Commissioner Mead is part of the pattern of emasculating this Commission.

Third, Lyons' appointment as Director of the Bureau of Mines. The hearings disclosed that he had a pension from a major mining company, and, in addition, was opposed to the mine safety law. When it became clear that his confirmation would not be possible, the nomination was withdrawn. However, it took an active fight on the floor of the Senate to focus public attention on this very unfortunate appointment.

PACKING THE FEDERAL POWER COMMISSION

The pattern of undermining the administrative process and rigging quasi-judicial agencies is no more clear than in the case of the Federal Power Commission.

In early 1953 the President appointed Jerome Kuykendall as a new member and Chairman of the FPC. Kuykendall was the public utility commissioner of Washington State, an appointee of Governor Langlie, an outspoken foe of Hells Canyon Dam.

After Kuykendall was confirmed, Secretary of Interior McKay withdrew opposition to the Idaho Power Co. small dam application and the Idaho Power Co. amended its application. Then the long-delayed hearings got underway. Subsequent appointments to FPC have completed the roster of antipublic power commissioners.

WICKARD'S OUSTER, FAILURE TO REAPPOINT GORDON CLAPP

The tampering with nonpartisan positions included the forced withdrawal of Claude Wickard as Administrator of REA—a position which by statute is a nonpartisan one—before the end of his term.

The refusal to reappoint Gordon Clapp as Chairman of TVA was certainly within the President's prerogative. However, the subsequent attack upon TVA indicates that Clapp was considered too good and too tough to handle. His replacement, General Vogel, whose confirmation I opposed, has proved a willing colleague of the Budget Bureau in attempts to weaken TVA.

OTHER EXAMPLES

It would take too long to catalog every instance of Presidential appointments that are inconsistent with impartial government.

The attempts to turn the civil service into a Republican grab bag are part and parcel of this pattern. The invention of schedule C for so-called confidential employees has been used as a device to remove civil service protection from scores of positions.

There have been fears that certain key positions under the Railroad Retirement Board would be so transferred. The prohibition against putting those positions under schedule C is the basis for some Republican opposition to the pending railroad retirement bill.

PENDING PATTERSON NOMINATION

I am among the members of the Banking and Currency Committee who oppose the confirmation of Patterson as an SEC Commissioner.

Our principal ground of objection is that Patterson would complete the roster of Commissioners whose main contact with the regulated industry has been with the security exchanges.

This is another example of delivering an administrative agency to the regulated industry.

The administration has slipped through many objectionable and questionable appointments. As we review this sorry list the pattern of bad appointments and interferences with the administrative process has become clear.

The President has either misused or shirked his responsibility—either course amounts to irresponsibility.

The day of easy confirmations of poor appointments has come to an end. Not only the Senate, but, more importantly, the people, are aroused and demand that Government by, of and for big business be brought to an end.

SUPPLEMENTAL APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. HAYDEN. Mr. President, the pending supplemental appropriation bill for 1956, as it passed the House, provided for an appropriation of \$224,276,628. The amount of the increase recommended by the Senate committee is \$1,601,834,986. This increase is misleading, since many items of appropriations including well over a billion dollars for military construction were deleted on the floor of the House on points of order. The authorizing legislation on military construction had passed both Houses of Congress and was awaiting the signature of the President which made the appropriation subject to a point of order. Other authorizing bills were in various stages of the legislative process.

The increase of the Senate committee bill over the bill as reported to the House is \$177,235,486. In this connection it should be pointed out that the Senate committee considered budget estimates in excess of the estimates considered by the House in the amount of \$195,565,204.

While this is labeled a supplemental bill, I think it would be well to point out that over \$1,290,000,000 is regular appropriations, rather than supplementals. Of this amount, \$1,270,000,000 is for military construction for which the authorization had not been passed when the Defense Department appropriation bill was before the committee. Of the remaining \$536 million in the bill, a por-

tion of the funds requested is to carry out measures enacted during this session; in fact, about \$100 million contained in the bill is contingent on final enactment of measures now pending before either the House or Senate.

Mr. President, in view of the fact that in the House of Representatives so much of the bill was stricken on points or order, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as thus amended, be regarded for purposes of amendment as the original text; and that no point of order shall be considered to have been waived by agreement to this request.

Mr. CURTIS. Mr. President, if all the committee amendments are agreed to en bloc, will it be in order for me to offer an amendment to a committee amendment?

Mr. HAYDEN. Certainly.

Mr. THYE. Mr. President, I wish to offer an amendment on page 3. Is this the proper time to do so?

Mr. HAYDEN. Mr. President, I should like to have the committee amendments agreed to en bloc, and then have amendments offered from the floor.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection to the request of the Senator from Arizona? The Chair hears none, and the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

Under the heading "Chapter I—Department of Agriculture," on page 2, after line 2, to insert:

"AGRICULTURAL RESEARCH SERVICE
"SALARIES AND EXPENSES

"Not to exceed \$25,000 of funds appropriated under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1956, for research, shall be available for construction of a building at the United States Range Livestock Experiment Station, Miles City, Mont."

On page 2, after line 10, to insert:

"ANIMAL DISEASE LABORATORY FACILITIES

"For preparation of plans and specifications for construction of facilities for animal disease research and control, and for surveys to determine the most of acquiring and altering facilities which may be made suitable for such work, including employment pursuant to the second sentence of section 708 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), \$500,000, to remain available until expended."

On page 2, after line 19, to strike out:

"EXTENSION SERVICE

"PAYMENTS TO STATES, HAWAII, ALASKA, AND
PUERTO RICO

"For an additional amount for 'Payments to States, Hawaii, Alaska, and Puerto Rico,' \$1,250,000."

At the top of page 3, to strike out:

"FEDERAL EXTENSION SERVICE

"For an additional amount for 'Federal Extension Service,' for administration and coordination, \$35,000."

On page 3, after line 3, to strike out:

"SOIL CONSERVATION SERVICE

"CONSERVATION OPERATIONS

"For an additional amount for 'Conservation operations,' \$150,000."

On page 3, after line 7, to strike out:

"AGRICULTURAL MARKETING SERVICE
"MARKETING RESEARCH AND SERVICE

"For an additional amount for 'Marketing research and service,' for marketing research and agricultural estimates, \$250,000."

On page 3, after line 12, to insert:

"COMMODITY EXCHANGE AUTHORITY

"For an additional amount for 'Commodity Exchange Authority,' \$33,000."

On page 3, after line 15, to strike out:

"FARMERS' HOME ADMINISTRATION
"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' \$850,000."

On page 3, after line 19, to strike out:

"OFFICE OF THE GENERAL COUNCIL

"For an additional amount for 'Office of the General Counsel,' \$36,000."

And in lieu thereof to insert:

"OFFICE OF THE GENERAL COUNSEL

"For an additional amount for 'Office of the General Counsel,' \$65,000: *Provided*, That this appropriation shall be effective only upon enactment into law of H. R. 5891, 84th Congress."

On page 4, after line 3, to strike out:

"OFFICE OF THE SECRETARY

"For an additional amount for 'Office of the Secretary,' \$19,000."

On page 4, after line 6, to strike out:

"OFFICE OF INFORMATION

"For an additional amount for 'Office of Information,' \$30,000."

On page 4, after line 9, to insert:

"AGRICULTURAL CONSERVATION PROGRAM
SERVICE

"Not to exceed \$5,000,000 of the appropriation under the head 'Agricultural Conservation Program Service,' in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1955, shall be available for the purposes specified under the head 'Agricultural Conservation Program,' in the Second Supplemental Appropriation Act, 1955, and shall be merged with the amount provided therein."

On page 4, after line 18, to insert:

"COMMODITY CREDIT CORPORATION

"For the purpose of assisting the Commodity Credit Corporation in selling its agricultural commodities, the position of sales manager is hereby authorized in grade 17 of the General Schedule of the Classification Act of 1949, as amended, in accordance with the standards and procedures of that act."

Under the heading "Chapter II—Department of Commerce—Civil Aeronautics Administration," on page 5, after line 3, to insert:

"OPERATION AND REGULATION

"For an additional amount for 'Operation and regulation,' \$1,200,000."

On page 5, after line 14, to insert:

"MARITIME ACTIVITIES

"MARITIME TRAINING

"For an additional amount for 'Maritime training,' \$115,000; and the limitation under this head in the Department of Commerce Appropriation Act, 1955, on the amount available for transfer to applicable appropriations of the Public Health Service for services rendered to the Maritime Administration is increased by \$5,000."

On page 5, after line 22, to insert:

"REPAIR OF RESERVE FLEET VESSELS (LIQUIDATION OF CONTRACT AUTHORIZATION)

"The limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1956, on the amount which may be advanced to the appropriation, 'Salaries and expenses, maritime activities,'

for administrative expenses is increased from '\$150,000' to '\$330,000.'"

On page 6, after line 4, to insert:

"BUREAU OF PUBLIC ROADS

"INTER-AMERICAN HIGHWAY

"For an additional amount for 'Inter-American Highway,' as authorized by the act of July 1, 1955 (Public Law 129), \$49,730,000, to remain available until expended."

On page 6, after line 9, to insert:

"WEATHER BUREAU

"SALARIES AND EXPENSES

"For an additional amount of 'Salaries and expenses,' \$1,500,000; and the limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1956, on the amount available for improvement and operation of hurricane, severe storm, and tornado warning services, including research and construction of related facilities, is increased from '\$4,250,000' to '\$5,750,000.'"

On page 6, after line 18, to insert:

"SMALL BUSINESS ADMINISTRATION

"SALARIES AND EXPENSES

"For necessary expenses, not otherwise provided for, of the Small Business Administration, including expenses of attendance at meetings concerned with the purposes of this appropriation and hire of passenger motor vehicles, \$2,700,000; and in addition there may be transferred to this appropriation not to exceed \$2,865,000 from the Revolving Fund, Small Business Administration, and not to exceed \$535,000 from the fund for liquidation of Reconstruction Finance Corporation disaster loans, Small Business Administration, for administrative expenses in connection with activities financed under said funds: *Provided*, That the amount authorized for transfer from the Revolving Fund, Small Business Administration, may be increased, with the approval of the Bureau of the Budget, by such amount as may be required to finance administrative expenses incurred in the making of disaster loans."

On page 7, after line 11, to insert:

"REVOLVING FUND

"For additional capital for the Revolving Fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitation, \$25 million: *Provided*, That this appropriation and the appropriation to the Small Business Administration for 'Salaries and expenses,' for the fiscal year 1956, shall be available only upon the enactment into law of S. 2127, 84th Congress, 1st session, or similar legislation, continuing the Small Business Administration during the fiscal year 1956."

On page 7, after line 21, to insert:

"UNITED STATES TARIFF COMMISSION

"That part of title III of Public Law 121, 84th Congress, approved June 30, 1955, which pertains to the appropriation for the Tariff Commission for the fiscal year ending June 30, 1956, is hereby amended by changing the period at the end thereof to a colon and adding the following additional proviso: 'And provided further, That that part of the foregoing appropriation which is for expenses of travel shall be available, when specifically authorized by the head of the Tariff Commission, for expenses of attendance at meetings of organizations concerned with the functions and activities of the said Commission.'"

Under the heading "Chapter III," on page 8, after line 9, to insert:

"CENTRAL INTELLIGENCE AGENCY

"CONSTRUCTION

"For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for

other purposes as authorized by title IV of the act of July 15, 1955 (Public Law 161), to remain available until expended, \$7,000,000, of which \$4,000,000 shall be available for transfer to the National Capital Planning Commission and to the Department of the Interior for acquisition of land and construction to extend the George Washington Memorial Parkway: *Provided*, That if it is determined such headquarters installation will not be constructed at the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Va., none of the funds shall be available for acquisition of land and construction to extend the George Washington Memorial Parkway and not to exceed \$350,000 shall be available from such \$4,000,000 for acquisition of land for the site of the headquarters installation."

Under the heading "Department of Defense—Military Functions," on page 9, after line 19, to insert:

"DEPARTMENT OF THE ARMY

"MILITARY CONSTRUCTION, ARMY

"For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities, for the Army, as authorized by the act of September 23, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles; to remain available until expended, \$496,427,000, to be derived by transfer from the appropriation for 'Procurement and production, Army.'"

On page 10, after line 10, to insert:

"DEPARTMENT OF THE NAVY

"MILITARY CONSTRUCTION, NAVY

"For an additional amount for acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy, as authorized by the act of September 28, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles; furniture for public quarters; and personnel in the Bureau of Yards and Docks and other personal services necessary for the purposes of this appropriation; \$443,278,300, to remain available until expended."

On page 11, after line 2, to insert:

"AUDITED CLAIMS

"Applicable current appropriations of the Department of the Navy shall be available for the payment of claims certified by the Comptroller General to be otherwise due, in the amounts stated below, from the following appropriations:

"Maintenance, Bureau of Supplies and Accounts,' fiscal year 1943, \$171,43;

"Pay, subsistence, and transportation, Navy,' fiscal year 1943, \$3,344,24;

"Maintenance, Bureau of Ships,' fiscal year 1946, \$5,838,42; and

"Transportation of things, Navy,' fiscal year 1948, \$1,359,86."

On page 11, after line 15, to insert:

"DEPARTMENT OF THE AIR FORCE

"MILITARY CONSTRUCTION, AIR FORCE

"For an additional amount for acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as authorized by the act of September

11, 1950 (Public Law 783), the act of September 28, 1951 (Public Law 155), the act of July 14, 1952 (Public Law 534), the act of August 7, 1953 (Public Law 209), the act of April 1, 1954 (Public Law 325), the act of July 27, 1954 (Public Law 534), the act of September 1, 1954 (Public Law 765), and of the act of July 15, 1955 (Public Law 161), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles, including research and development facilities at Wright-Patterson Air Force Base, Dayton, Ohio; to remain available until expended, \$1,078,649,000 of which \$255,000,000 shall be derived by transfer from the appropriation "Procurement and production, Army: *Provided*, That not to exceed \$350,000 of this appropriation shall be used for the purposes authorized by section 303 of the act of July 15, 1955 (Public Law 161)."

On page 12, after line 13, to insert:

"GENERAL PROVISIONS"

"Sec. 302. Funds appropriated to the military departments for military public works in prior years are hereby made available for military public works authorized for each such department by the act of July 15, 1955 (Public Law 161)."

On page 12, after line 19, to insert:

"Sec. 303. None of the funds appropriated in this chapter shall be expended for payments under a cost-plus-a-fixed-fee contract for work where cost estimates exceed \$25,000 to be performed within the continental United States without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor."

On page 13, after line 2, to insert:

"Sec. 304. None of the funds appropriated in this chapter shall be expended for additional costs involved in expediting construction, unless the Secretary of Defense certifies such costs to be necessary to protect the national interest and establishes a reasonable completion date for each such project, taking into consideration the urgency of the requirement, the type and location of the project, the climatic and seasonal conditions affecting the construction and the application of economical construction practices."

On page 13, after line 11, to insert:

"Sec. 305. None of the funds appropriated in this chapter shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify, in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates."

On page 13, after line 19, to insert:

"Sec. 306. Funds appropriated to the military departments for construction are hereby made available for advance planning, construction design, and architectural services, as authorized by section 504 of the act of September 28, 1951 (Public Law 155)."

Under the heading "Chapter IV," on page 14, after line 1, to insert:

**"DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS
"DEPARTMENT OF THE ARMY"**

"Government and relief in occupied areas"

"For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the head of the department or agency concerned, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the act of August 2, 1946 (5

U. S. C. 55a), at rates not in excess of \$50 per diem for individuals not to exceed 10 in number; translation rights, photographic work, education exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$3 million, of which not to exceed \$1,210,000 shall be available for administrative and information and education expenses: *Provided*, That the general provisions of the Appropriation Act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made by that Department from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (41 U. S. C. 151-161): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of title II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505 (a) and 522 (e) thereof: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, when applicable, include requirements, and undertakings corresponding to the requirements and undertakings specified in section 303 of the Mutual Security Act of 1954: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the head of the department or agency concerned to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That under the rules and regulations to be prescribed, the head of the department or agency concerned shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agen-

cies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred."

At the top of page 19, to insert:

**"CHAPTER V. GENERAL GOVERNMENT MATTERS
EXECUTIVE OFFICE OF THE PRESIDENT"**

"OFFICE OF DEFENSE MOBILIZATION"

"Salaries and expenses"

"For an additional amount for 'Salaries and expenses,' for carrying out the provisions of section 7 of the act of June 21, 1955 (Public Law 86), \$100,000."

On page 19, after line 8, to insert:

**"DISTRICT OF COLUMBIA AUDITORIUM
COMMISSION"**

"SALARIES AND EXPENSES"

"For necessary expenses to carry out the provisions of the act of July 1, 1955 (Public Law 128), \$25,000."

On page 19, after line 13, to insert:

"FOREIGN CLAIMS SETTLEMENT COMMISSION"

"INTERNATIONAL CLAIMS"

"For expenses necessary to enable the Commission to settle certain claims as authorized by the act of March 10, 1950, as amended (22 U. S. C. 1621-1627), including expenses of attendance at meetings of organizations concerned with the purpose of this appropriation; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$50 per diem for individuals; and employment of aliens; \$400,000: *Provided*, That this paragraph shall be effective only upon enactment into law of H. R. 6382, 84th Congress, 1st session."

At the top of page 20, to insert:

**"PRESIDENT'S COMMISSION ON VETERANS'
PENSIONS"**

"For expenses necessary for a special study of the veterans' compensation and pensions program, to be expended as the President may direct, \$300,000."

On page 20, after line 4, to insert:

"Sec. 502. Appropriations contained in title I of the General Government Matters Appropriation Act, 1956, available for expenses of travel shall be available, when specifically authorized by the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made."

In the heading on page 20, line 12, after the word "Chapter" to strike out "V" and insert "VI."

Under the heading "Independent Offices—Federal Civil Defense Administration—Operations," on page 20, line 16, after the word "Operations", to strike out "\$650,000" and insert "\$1,000,000."

Under the subhead "Surveys, Plans, and Research," on page 21, line 1, after "55a", to strike out "\$8,000,000" and insert "\$12,000,000."

On page 21, after line 2, to insert:

"SALARIES AND EXPENSES, CIVIL DEFENSE FUNCTIONS OF FEDERAL AGENCIES"

"For necessary expenses to enable departments and agencies to discharge civil defense responsibilities delegated under the authority of section 201 (b) of the Federal Civil Defense Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation, and

the purchase of materials and supplies necessary thereto, \$3,050,000."

On page 21, after line 11, to insert:

"GENERAL SERVICES ADMINISTRATION

"SITES AND PLANNING, PURCHASE CONTRACTS, AND PUBLIC BUILDINGS PROJECTS

"For expenses necessary in carrying out the provisions of the Public Buildings Purchase Contract Act of 1954 (68 Stat. 518), \$15,000,000, to remain available until expended and to be in addition to and available for the same purposes as any unobligated balances which have been or may be made available, by any law enacted during the first session of the 84th Congress, for carrying out the purposes of said act: *Provided*, That any such unobligated balances may be consolidated with this appropriation."

On page 21, after line 23, to insert:

"The aggregate of annual payments for amortization of principal and interest thereon required by all purchase contracts entered into during the fiscal year 1956 pursuant to the Public Buildings Act of 1949 (63 Stat. 176), as amended by the Public Buildings Purchase Contract Act of 1954 (68 Stat. 518), shall not exceed \$10,000,000, in addition to the unused portion of the \$5,000,000 limitation applicable prior to July 1, 1955, under section 411 (a) of the said Public Buildings Act of 1949, as amended."

On page 22, after line 8, to insert:

"ACQUISITION OF LAND, DISTRICT OF COLUMBIA

"For expenses, not otherwise provided for, necessary for acquisition by purchase, condemnation, or otherwise of a portion of the land, including improvements thereon, in square 62, District of Columbia, \$300,000, to remain available until expended: *Provided*, That the Administrator of General Services is authorized to exchange the same or a part thereof for any other land in said square on such terms and conditions as the Administrator may determine with the approval of the National Capital Planning Commission."

On page 22, after line 18, to insert:

"REPAIR, IMPROVEMENT, AND EQUIPMENT OF FEDERALLY OWNED BUILDINGS OUTSIDE THE DISTRICT OF COLUMBIA

"For an additional amount for 'Repair, improvement, and equipment of federally owned buildings outside the District of Columbia', \$1,150,000, to remain available until expended: *Provided*, That the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel, is increased from '\$145,000' to '\$155,000.'"

On page 23, after line 3, to insert:

"OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

"For an additional amount for 'Operating expenses, Federal Supply Service', \$200,000; and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for travel expenses is increased by \$1,000."

On page 3, after line 9, to insert:

"EXPENSES, GENERAL SUPPLY FUND

"For an additional amount for 'Expenses, general supply fund', \$1,000,000, of which \$300,000 shall be for nonrecurring moving and space costs in connection with the relocation of warehouse management and other employees into office space in regional warehouses; and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel is increased by \$22,500."

On page 23, after line 18, to insert:

"Survey of Government Records, Records Management, and Disposal Practices, General Services Administration: For necessary expenses, including not to exceed \$50,000 for administrative expenses, in connection with conducting surveys of Government records, and records creation, maintenance, management and disposal practices in Federal agen-

cies, pursuant to sections 505 and 506 of the Federal Property and Administrative Services Act of 1949, as amended, \$300,000: *Provided*, That notwithstanding any other provision of said act, the Administrator shall have final authority in all matters involving the conduct of surveys and the implementation of recommendations based on such surveys: *Provided further*, That the 1 year limitation in section 208 (b) of the Federal Property and Administrative Services Act of 1949, as amended, shall not apply to the procurement of services in connection with the conduct of such surveys: *Provided further*, That a detailed quarterly report on the progress of each survey conducted hereunder shall be made to the Appropriations Committee of the Congress."

On page 24, after line 13, to insert:

"OPERATING EXPENSES, NATIONAL ARCHIVES AND RECORDS SERVICE

"For an additional amount for 'Operating expenses, National Archives and Records Service,' \$145,000."

On page 24, after line 17, to insert:

"STRATEGIC AND CRITICAL MATERIALS

"The appropriation granted under this head in the Independent Offices Appropriation Act, 1956, shall be available for necessary expenses for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and critical materials acquired for the supplemental stockpile pursuant to section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704 (b))."

Under the heading "Housing and Home Finance Agency", on page 25, after line 3, to insert:

"OFFICE OF THE ADMINISTRATOR

"Salaries and expenses

"For an additional amount for 'Salaries and expenses,' \$170,000, and the limitation under this head in the Independent Offices Appropriation Act, 1956, on the amount available for expenses of travel, is increased from '\$263,700' to '\$273,000.'"

On page 25, after line 10, to insert:

"RESERVE OF PLANNED PUBLIC WORKS

"For an additional amount for 'Reserve of planned public works,' \$5,500,000."

On page 25, after line 17, to insert:

"ADMINISTRATIVE EXPENSES

"For an additional amount for 'Administrative expenses,' \$1,060,000."

On page 25, after line 20, to insert:

"CORPORATIONS

"Office of the Administrator, housing loan for educational institutions: The amount made available under this head in the Independent Offices Appropriation Act, 1956, for administrative expenses, is increased by \$200,000."

At the top of page 26, to insert:

"Office of the Administrator, public facility loans: Not to exceed \$250,000 of the revolving fund established pursuant to the Housing Amendments of 1955 (S. 2126, 84th Cong.) shall be available for administrative expenses: *Provided*, That the revolving fund established pursuant to section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, shall be merged with the revolving fund for public facility loans established pursuant to said Housing Amendments of 1955 (S. 2126, 84th Cong.)."

On page 26, after line 10, to insert:

"Federal Housing Administration: The amount made available under this head in title II of the Independent Offices Appropriation Act, 1956 (Public Law 112), is increased from \$5,900,000 to \$7,000,000 and the limitation on the amount available for expenses of travel is increased from \$300,000 to \$464,000: *Provided*, That the limitation under said head on the amounts available

for certain nonadministrative expenses of said Administration is increased from \$33,000,000 to \$37,600,000."

On page 26, after line 19, to insert:

"Public Housing Administration: The amount made available under this head in title II of the Independent Offices Appropriation Act, 1956, for administrative expenses of the Public Housing Administration in carrying out duties imposed by law, is increased from '\$8,200,000' to '\$9,260,000', and the limitation under said head on the amount available for expenses of travel is increased from '\$530,000' to '\$600,000.'"

On page 27, after line 2, to insert:

"Appropriations and authorizations contained in this act for the Housing and Home Finance Agency (except \$730,000 of the increase in the amount made available for administrative expenses of the Federal Housing Administration and the amount available for expenses of travel; \$2,600,000 of the increase in the limitation on certain nonadministrative expenses of said Administration; the additional amount appropriated for 'Annual contributions' and \$60,000 of the increase in amounts for administrative expenses of the Public Housing Administration) shall be effective only upon the enactment into law of the Housing Amendments of 1955 (S. 2126, 84th Cong.)."

On page 27, after line 14, to insert:

"NATIONAL SECURITY TRAINING COMMISSION

"SALARIES AND EXPENSES

"For necessary expenses of the National Security Training Commission, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not in excess of \$50 per diem, and contracts with temporary or part-time employees may be renewed annually; and expenses of attendance at meetings concerned with the purposes of this appropriation; \$80,000: *Provided*, That this paragraph shall be effective only upon enactment into law, during the first session of the 84th Congress, of H. R. 7000, or similar legislation: *Provided further*, That this appropriation may be used to reimburse the appropriation 'Special Projects, Executive Office of the President', for obligations incurred against said appropriation, prior to the enactment of this act, for expenses of the Commission."

On page 28, after line 5, to insert:

"SELECTIVE SERVICE SYSTEM

"SALARIES AND EXPENSES

"The amount made available under this head in the Independent Offices Appropriation Act, 1956, for registration, classification, and induction activities of local boards, shall also be available during the current fiscal year for expenses of the National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists, including not to exceed \$30,000 for expenses of travel."

In the heading, on page 28, line 15, after the word "Chapter" to strike out "VI" and insert "VII."

Under the heading, "Department of the Interior—Bureau of Indian Affairs," on page 29, after line 3, to insert:

"TRIBAL FUNDS

"For an additional amount for 'Tribal funds,' \$200,000, from funds to the credit of the Indians of California as defined and enrolled under the act of May 18, 1928 (45 Stat. 692), as amended, the successors in interest to claims against the United States as therein provided, for payment of expenses, other than attorney fees, heretofore or hereafter incurred by attorneys prosecuting the claims of the Indians of California before the Indian Claims Commission under contracts approved by the Secretary of the Interior."

Under the subhead "Bureau of Mines—Conservation and Development of Mineral

Resources," on page 29, line 18, after the word "resources," to strike out "\$625,000" and insert \$1,450,000."

On page 29, after line 18, to insert:

"DRAINAGE OF ANTHRACITE MINES

"For contributions as authorized by the act 'To provide for the conservation of anthracite coal resources through measures of flood control and anthracite mine drainage, and for other purposes' (Public Law 162, approved July 15, 1955), \$8,500,000, to remain available until expended."

Under the subhead "Fish and Wildlife Service—Construction," on page 30, line 6, after the word "Construction," to strike out "\$325,000" and insert "\$786,000, of which \$455,000 shall be available for the construction of fish-cultural facilities below Norfolk Dam, Arkansas."

On page 30, after line 9, to insert:

"DEPARTMENT OF AGRICULTURE

"FOREST SERVICE—SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' for national forest protection and management, \$300,000: *Provided*, That this appropriation shall be effective only upon enactment into law of H. R. 5891, 84th Congress."

On page 30, after line 15, to insert:

"ALEXANDER HAMILTON BICENTENNIAL COMMISSION

"For an additional amount for 'Alexander Hamilton Bicentennial Commission,' \$112,162, to remain available until expended: *Provided*, That this appropriation shall become effective only upon the enactment into law of S. 1395."

At the top of page 31, to insert:

"BOSTON NATIONAL HISTORIC SITES COMMISSION

"For expenses necessary to carry out the provisions of the act of June 16, 1955 (69 Stat. 136, 137, 138), \$40,000, to remain available until June 30, 1957."

On page 31, after line 5, to insert:

"JOHN MARSHALL BICENTENNIAL CELEBRATION COMMISSION

"For an additional amount for 'John Marshall Bicentennial Celebration Commission' for carrying out the provisions of the act of August 13, 1954 (68 Stat. 702), including entertainment, \$82,500, to remain available until December 31, 1955."

On page 31, after line 12, to insert:

"NATIONAL CAPITAL PLANNING COMMISSION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' \$57,000."

On page 31, after line 16, to insert:

"SMITHSONIAN INSTITUTION

"MUSEUM OF HISTORY AND TECHNOLOGY

"For necessary expenses of construction of a building for the Museum of History and Technology, as authorized by the act of June 28, 1955 (Public Law 106), including the preparation of plans and specifications, not to exceed \$75,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed \$100 per diem for individuals, and incidental expenses of the Regents of the Smithsonian Institution and of the Joint Congressional Committee established by said act, \$2,288,000, to remain available until expended: *Provided*, That the expenses of the Joint Congressional Committee shall be paid upon certification of the Chairman of said Committee."

On page 32, after line 9, to insert:

"SOO LOCKS CENTENNIAL CELEBRATION COMMISSION

"Funds appropriated for the Soo Locks Centennial Celebration Commission in the Second Supplemental Appropriation Act,

1955 (Public Law 24, 84th Congress), shall be available for expenses of official entertainment."

In the heading, on page 32, line 16, after the word "Chapter," to strike out "VII" and inserts "VIII."

Under the heading "Department of Labor—Office of the Solicitor—Salaries and Expenses", on page 32, at the beginning of line 21, to strike out "\$110,000" and insert "\$303,800."

At the top of page 33, to insert:

"BUREAU OF EMPLOYMENT SECURITY

"SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM

"For an additional amount for 'Salaries and expenses, Mexican farm labor program,' \$650,000: *Provided*, That this amount shall be available only upon enactment into law of H. R. 3822, 84th Congress, or similar legislation, extending authority for the importation of Mexican agricultural workers."

On page 33, after line 9, to insert:

"WAGE AND HOUR DIVISION

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' 2,185,000: *Provided*, That this amount and the amount appropriated in this act for 'Salaries and expenses, Office of the Solicitor,' shall be available only upon enactment into law of S. 2168, 84th Congress, or similar legislation, increasing the minimum wage."

Under the heading "Department of Health, Education, and Welfare," on page 34, after line 2, to insert:

"GALLAUDET COLLEGE

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' fiscal year 1955, for payment of retroactive pay increases granted by administrative action, comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), \$5,400, to be derived by transfer from the appropriation 'Grants to States for public assistance,' Social Security Administration, fiscal year 1955."

On page 34, after line 11, to insert:

"For an additional amount for 'Salaries and expenses,' for payment of pay increases granted by administrative action comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), \$8,700."

On page 34, after line 15, to insert:

"HOWARD UNIVERSITY

"SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses,' fiscal year 1955, for payment of retroactive pay increases granted by administrative action, comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), \$76,000, to be derived by transfer from the appropriation 'Grants to States for public assistance,' Social Security Administration, fiscal year 1955."

At the top of the page 35, to insert:

"For an additional amount for 'Salaries and expenses,' for payment of pay increases granted by administrative action comparable to those authorized by the Federal Employees Salary Increase Act of 1955 (69 Stat. 172), \$220,000."

Under the subhead "Office of Education—Salaries and Expenses, White House Conference on Education", on page 35, line 9, after the word "Education," to strike out "\$50,000" and insert "\$238,000."

Under the subhead "Public Health Service", on page 35, after line 11, to insert:

"For additional amounts for appropriation to the Public Health Service, as follows:

"Assistance to States, general", \$98,900;

"Venereal diseases", \$31,100;

"Tuberculosis", \$25,200;
 "Communicable diseases", \$116,800;
 "Sanitary engineering activities", \$107,000;
 "Disease and sanitation investigations and control, Territory of Alaska", \$13,000;
 "Salaries and expenses, hospital construction services", \$16,200;

"Hospital and medical care", \$454,500;
 "Foreign quarantine service", \$32,300;
 "Indian health activities", \$32,200;
 "National Cancer Institute", \$57,600;
 "Mental health activities", \$39,500;
 "National Heart Institute", \$56,600;
 "Dental health activities", \$39,700;
 "Arthritis and metabolic activities", \$36,300;

"Microbiology activities", \$54,300;
 "Neurology and blindness activities", \$7,800;
 "Retired pay of commissioned officers", \$141,000; and

"Salaries and expenses", \$15,000."

On page 36, after line 15, to insert:

"SANITARY ENGINEERING ACTIVITIES

"For an additional amount for 'Sanitary engineering activities,' \$1,190,000, to remain available only until June 30, 1956, for the purposes of the act of July 14, 1955 (Public Law 159)."

On page 36, after line 20, to insert:

"MENTAL HEALTH ACTIVITIES

"For an additional amount for 'Mental health activities,' \$250,000: *Provided*, That this appropriation shall be available only upon the enactment into law during the first session of the 84th Congress of House Joint Resolution 256."

At the top of page 37, to insert:

"GRANTS TO STATES FOR POLIOMYELITIS VACCINATION

"For grants to States for carrying out the purposes of the Poliomyelitis Vaccination Assistance Act of 1955, \$60 million: *Provided*, That this appropriation shall become effective only upon the enactment into law of H. R. 7126 or S. 2501, 84th Congress."

Under the subhead "Construction of Housing Facilities for Animals", on page 37, line 10, after the word "specifications", to strike out "\$400,000" and insert "\$685,280."

In the heading, on page 37, line 12, after the word "Chapter", to strike out "VIII" and insert "IX."

Under the heading "Public Works—Atomic Energy Commission—Plant and Equipment", on page 37, at the beginning of line 25, to strike out "\$163,577,000" and insert "\$270,800,000"; on page 38, line 3, after the name "Tennessee", to strike out the colon and "*Provided*, That only \$37,400,000 shall be available prior to the enactment into law of H. R. 6795, 84th Congress", and in line 5, after the amendment just above stated, to insert a colon and "*Provided*, That, in addition to transfers otherwise authorized by law, \$101 million of unexpended balances available under this head shall be transferred to the appropriation "Operating expenses, Atomic Energy Commission."

On page 38, after line 9, to insert:

"DEPARTMENT OF THE INTERIOR

"BONNEVILLE POWER ADMINISTRATION

"Construction

"For an additional amount for 'Construction', \$2,038,000, to remain available until expended."

On page 38, after line 14, to insert:

"BUREAU OF RECLAMATION

"CONSTRUCTION AND REHABILITATION

"For an additional amount for 'Construction and rehabilitation', \$5 million, to remain available until expended: *Provided*, That this appropriation shall be effective only upon enactment into law during the 84th Congress of H. R. 3383 or S. 500."

At the top of page 39, to insert:

1955

CONGRESSIONAL RECORD — SENATE

9911

**DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS,
DEPARTMENT OF THE ARMY****"RIVERS AND HARBORS AND FLOOD CONTROL
"Construction, general**

"For an additional amount for 'Construction, general', \$5,551,014."

In the heading, on page 39, line 7, after the word "Chapter", to strike out "IX" and insert "X."

Under the heading "Department of State—Salaries and Expenses", on page 39, at the beginning of line 11, to strike out "\$1,820,000" and insert "\$2,120,000."

On page 39, after line 15, to insert:

"EXTENSION AND REMODELING, STATE DEPARTMENT BUILDING

"For expenses necessary for planning the extension and remodeling, under the supervision of the General Services Administration, of the State Department Building, Washington, D. C., to remain available until expended, \$2,500,000, to be transferred to the General Services Administration."

On page 40, after line 2, to insert:

"PAYMENT TO THE REPUBLIC OF PANAMA

"After the exchange of ratifications of the Treaty of Mutual Understanding and Cooperation, signed January 25, 1955, by the United States of America and the Republic of Panama (Senate Executive F, 84th Cong., 1st sess.; ratification advised by the Senate), the Secretary of the Treasury shall cause to be paid annually (in lieu of the annual payment provided under this head in the Department of State Appropriation Act, 1954), out of any money in the Treasury not otherwise appropriated, \$1,930,000 as a payment to the Republic of Panama in accordance with article I thereof."

On page 40, after line 14, to insert:

**"INTERNATIONAL EDUCATIONAL EXCHANGE
ACTIVITIES**

"The limitation under this head in the Department of State Appropriation Act, 1956, on the amount available for administrative expenses is increased from \$3,300,000 to \$3,485,000."

On page 40, after line 19, to insert:

"ACQUISITION OF BUILDINGS ABROAD

"The limitation under this head in the Department of State Appropriation Act, 1956, on the amount available for administrative expenses is increased from \$900,000 to \$950,000."

At the top of page 41, to insert:

"INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO**"SALARIES AND EXPENSES**

"For an additional amount for 'Salaries and expenses,' \$75,000."

Under the heading "Department of Justice—Legal Activities and General Administration", on page 41, after line 17, to insert:

"FEDERAL PRISON SYSTEM**"BUILDINGS AND FACILITIES**

"For making plans, conducting surveys, and preparing site recommendations for necessary new prison facilities, \$500,000."

Under the heading "United States Information Agency—Salaries and Expenses," on page 43, line 6, to strike out "\$243,260" and insert "\$430,000."

On page 43, after line 6, to insert:

"FUNDS APPROPRIATED TO THE PRESIDENT**"EMERGENCY FUND FOR INTERNATIONAL AFFAIRS**

"For expenses necessary to enable the President to take such measures as he deems appropriate to meet extraordinary or unusual circumstances arising in the international affairs of the Government, \$6,000,000, to remain available until expended, for use in the President's discretion and without regard to such provisions of law as he may specify: *Provided*, That the President shall transmit to the Committees on Appropriations of the

Senate and of the House of Representatives, not less often than quarterly, a full report of expenditures under this appropriation."

In the heading, on page 43, line 19, after the word "Chapter", to strike out "X" and insert "XI."

Under the heading "Treasury Department—Coast Guard—Operating Expenses," on page 44, line 4, to strike out "\$5,000,000" and insert "\$7,000,000."

On page 44, after line 9, to insert:

"POST OFFICE DEPARTMENT**"OFFICE OF FIRST ASSISTANT POSTMASTER
GENERAL****"City delivery carriers**

"For an additional amount, fiscal year 1947, for 'City delivery carriers', \$10,000, to be derived by transfer from the appropriation 'Railway Mail Service', fiscal year 1947."

On page 44, after line 15, to insert:

"CORPORATION**"FEDERAL FACILITIES CORPORATION**

"The amount of the Corporation's funds made available under this head in title I of the Treasury-Post Office Appropriation Act, 1956, for administrative expenses of the Corporation, is increased from \$800,000 to \$975,000."

In the heading, on page 45, line 1, after the word "Chapter", to strike out "XI" and insert "XII."

Under the heading "District of Columbia—Operating Expenses", on page 46, after line 14, to insert:

"SALARY INCREASES, POLICEMEN AND FIREMEN

"The provisions of title II of Public Law 123, approved June 30, 1955, shall apply also to costs in the fiscal year 1955 of pay increases granted by or pursuant to Public Law, 84th Congress: *Provided*, That this paragraph shall be effective only upon enactment into law of either S. 2428 or H. R. 7159, or similar legislation."

On page 46, after line 21, to insert:

"CAPITAL OUTLAY**"PUBLIC BUILDING CONSTRUCTION**

"The appropriation for 'Capital outlay, public building construction', contained in the District of Columbia Appropriation Act, 1956, shall be available for preparation of plans and specifications for a warehouse at the Children's Center and the erection of the following structures, including the treatment of grounds: Branch library building in Woodridge, new Metropolitan Police Women's Bureau Building (including the installation of telephones, telephone switchboard, and teletypewriter system), and new fire engine house in the vicinity of 24th and Irving Streets Southeast (including instruments for receiving alarms and connecting said house to the fire alarm system)."

On page 48, after line 6, to insert:

"CHAPTER XIII. LEGISLATIVE BRANCH**"SENATE****"Contingent expenses of the Senate**

"Miscellaneous items: For an additional amount for Miscellaneous items, exclusive of labor, fiscal year 1955, \$185,835."

On page 48, after line 13, to insert:

"GENERAL PROVISION

"Subsection (b) of section 1311 of the Supplemental Appropriation Act, 1955 (Public Law 663, 83d Cong.), is hereby amended by deleting the period at the end thereof and inserting the following: '*Provided further*, That in the case of the Senate such report shall be made not later than March 31 of the year following the year with respect to which the report is made.'"

In the heading, on page 49, line 1, after the word "Chapter", to strike out "XII" and insert "XIV."

Under the heading "Claims for Damages, Audited Claims, and Judgments," on page 49,

line 9, after the word "in", to insert "Senate Document numbered — and", and in line 11, after the word "Congress", to strike out "\$5,343,868" and insert "\$8,117,523."

At the top of page 50, to insert:

"CHAPTER XV. GENERAL PROVISIONS**"UNIFORM ALLOWANCES**

"SEC. 1501. The following appropriations and funds available to the departments and agencies, for the fiscal year 1956, shall be available for uniforms or allowances therefor, as authorized by the act of September 1, 1954, as amended (68 Stat. 1114 and 69 Stat. 49):

"Legislative branch:
"Architect of the Capitol;
"Capitol Buildings;
"Senate Office Buildings;
"House Office Buildings;
"Independent offices:
"Civil Service Commission: 'Salaries and expenses';
"Federal Trade Commission: 'Salaries and expenses';
"General Accounting Office: 'Salaries and expenses';
"Interstate Commerce Commission: The appropriation available for the pay of employees entitled to uniforms or allowances therefor under said act;
"National Advisory Committee for Aeronautics: 'Salaries and expenses';
"National Labor Relations Board: 'Salaries and expenses';
"Securities and Exchange Commission: 'Salaries and expenses';
"Smithsonian Institution: 'Salaries and expenses, National Gallery of Art';
"Veterans' Administration:
"General operating expenses;
"Medical administration and miscellaneous operating expenses;
"Maintenance and operation of supply depots;
"Department of Agriculture:
"Office of the Secretary;
"Commodity Credit Corporation: 'Limitation on administrative expenses';
"Department of Commerce:
"Office of the Secretary:
"Salaries and expenses;
"Working capital fund;
"Maritime activities: 'Salaries and expenses';
"Civil Aeronautics Administration: 'Operation and regulation';
"Maritime activities: 'Salaries and expenses';
"National Bureau of Standards: 'Working capital fund';
"Department of Health, Education, and Welfare:
"Freedmen's Hospital: 'Salaries and expenses';
"Public Health Service:
"Assistance to States, general;
"Venereal diseases;
"Tuberculosis;
"Communicable diseases;
"Sanitary engineering activities;
"Disease and sanitation investigations and control, Territory of Alaska;
"Hospitals and medical care;
"Foreign quarantine service;
"Indian health activities;
"National Institutes of Health, operating expenses;
"National Cancer Institute;
"Mental health activities;
"National Heart Institute;
"Dental health activities;
"Arthritis and metabolic disease activities;
"Microbiology activities;
"Neurology and blindness activities;
"St. Elizabeths Hospital: 'Salaries and expenses';
"Social Security Administration: 'Salaries and expenses, Bureau of Old Age and Survivors Insurance';

"Department of the Interior:
 "Office of the Secretary:
 "Salaries and expenses";
 "Working capital fund";
 "Bureau of Indian Affairs: Education and welfare services"; and
 "Department of Labor:
 "Office of the Secretary: Salaries and expenses."

On page 53, after line 8, to insert:
 "Sec. 1502. No part of any appropriation contained in this act, or of the funds available for expenditure by any corporation included in this act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than 1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. HAYDEN obtained the floor.

Mr. CHAVEZ. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. Mr. President, I think it would be proper very briefly to discuss chapter III, which involves construction money for the Defense Department.

Mr. HAYDEN. That is the largest item in the bill. Does the Senator wish to make a statement with reference to it?

Mr. CHAVEZ. I do. I wish to address myself to the items in chapter III of the bill as it is reported to the Senate.

Mr. President, total budget estimates for this chapter amounted to \$1,480,000,000 in appropriations and \$859,500,000 in unobligated balances and transfers, or a total of \$2,339,500,000. The House of Representatives recommended that a total of \$6,450,000 be appropriated for these items, although the House Appropriations Committee allowed \$1,402,329,000 plus unobligated balances amounting to \$486,612,000 or a total of \$1,888,941,000.

The Senate Committee recommends an appropriation of \$1,280,377,300 plus \$741,427,000 in transfers or a total of \$2,021,804,300. This is a reduction from the budget estimates of \$199,622,700 in

appropriations and \$118,073,000 in transfers or a total reduction of \$317,695,700. It is over the House bill by \$1,273,927,300 in appropriations and \$741,427,000 in transfers.

I shall now speak briefly of the individual items.

The Senate Committee recommends for the Central Intelligence Agency building an appropriation of \$7 million. This includes \$3 million for planning and \$4 million for roads and purchase of site. The committee report treats of this matter fully.

For the Department of the Army the committee recommends \$486,427,000 by transfer of \$58,573,000 below the estimate. For the Navy the committee recommends \$443,278,300, which is \$85,271,700 below the estimate. For the Air Force, the committee recommends \$823,649,000 in appropriations and \$225 million in transfers. This is an amount \$121,351,000 below the estimate. I shall mention only one of hundreds of items in the chapter that might be mentioned. The committee recommended approval of an appropriation of \$79,527,000 for the Air Force Academy.

Except for specific items described in the committee report, the committee approved the authorized program as submitted by the executive branch. Certain other reductions were made because the committee agreed with the House committee that the programs as authorized and justified before the committees could not progress as rapidly as contemplated. These latter reductions should in no way be construed to eliminate or retard the approved items in the program.

I wish to thank all the members of the Department of Defense Subcommittee who attended the hearings and worked on this section of the bill. I believe that, as reported, the funds included will provide the construction necessary to keep our country militarily strong. It will also help to provide the housing so badly needed by the men in our Armed Forces.

The committee can only recommend the appropriation and the Congress approve it. It remains for the executive branch, and particularly the leaders in the Department of Defense, to see that the money is judiciously spent. I call upon those men, both civilian and military, to utilize the funds we provide in a manner that will bring credit upon the Department and effect economy for the country.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HAYDEN. Mr. President, I offer an amendment to the committee amendment relating to the United States Tariff Commission.

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

The LEGISLATIVE CLERK. On page 8, line 6, it is proposed to strike out the word "head" and to insert in lieu thereof the word "Chairman", so that it will read "Chairman of the Tariff Commission."

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Arizona.

The amendment was agreed to.

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

Mr. GREEN. Mr. President, I do not desire to offer an amendment, but I do desire to compliment the committee on the splendid work it has done in making its report, and in particular I wish to commend it for the additional appropriation made for the Weather Bureau, and especially, in that connection, the million and a half dollars of additional funds for research regarding tornado and hurricane predictions. I have been especially interested in this subject since the very disastrous hurricanes which occurred last year. It is encouraging to find that the United States is not only seeking to repair damage done by such storms but to conduct research into better means of forecasting, which will probably save more money in the end and will cost less at this time.

The appropriation of \$1,500,000 for research operations is in addition to the \$7,500,000 already appropriated in other items to repair the damage done.

I wish to express my appreciation particularly for the interest shown in the matter of this increase by the senior Senator from Florida [Mr. HOLLAND] and the senior Senator from Arizona [Mr. HAYDEN].

Mr. HOLLAND. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HOLLAND. I am exceedingly grateful to the Senator from Rhode Island, and I am certain I speak also for the distinguished chairman of the committee, the senior Senator from Arizona, in saying that we appreciate his gracious words.

In order that the record may clearly show what was done in this regard, I wish to read from the report a paragraph relating to the \$1,500,000 extra money which the committee recommended should go to the Weather Bureau for research, to enable it better to meet its obligations in affording protection against hurricanes, tornadoes, and other severe storms. I read as follows:

The committee recommends \$1,500,000, half the amount of the estimate, for additional funds for research into methods of bettering hurricane and tornado predictions. The amount recommended will be sufficient to cover the major part of the research operations. It is felt that, if additional equipment for research is required, it may be procured with the funds provided by the regular 1956 appropriation, in excess of the budget estimate, for the procurement of weather observation and research equipment in the Department of Commerce and Related Agencies Appropriations Act, 1956. The funds which were provided in that act were to remain available for a period of 4 years because all could not be obligated at this time; the committee can see no objection to the use of a part of the amount for expedited procurement of material now available which will hasten progress to more accurate predictions.

Before closing my remarks, I may say that I think the whole Senate, and indeed the whole country, is indebted, and feels indebted, to the distinguished senior Senator from Rhode Island for his ag-

1955

CONGRESSIONAL RECORD — SENATE

9913

gressive interest relative to the building up of the essential services of the Weather Bureau, so as to afford better protection against hurricanes, tornadoes, and other severe storms.

Mr. President, while I am on my feet, may I say that one large amount added to the bill for the Department of Commerce relates to the Inter-American Highway. In order that the record may clearly show the thinking of the committee on that matter, in which we are recommending the appropriation at once of the entire amount of our country's contribution, which, added to the amount of this year's appropriation, will make possible the completion of the construction work within the 3-year period covered by recent legislation, I read from the report, as follows:

Since the consideration of the appropriation for fiscal year 1956, Public Law 129 has been approved (the act of July 1, 1955). The committee, in its report on the regular appropriation for fiscal year 1956 (Department of Commerce and Related Agencies Appropriation Act, 1956), said:

"Inter-American Highway: The committee recommends an appropriation of \$25,250,000 for the continuance of the construction of the Inter-American Highway which is the full amount of the authorized but unappropriated balance.

"It is the sense of the committee that the interests of this Nation, our friendship for the neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway."

In recommending \$49,730,000 for this purpose, the committee is, in the strongest terms, reiterating the views which were stated in the previous report. Under this appropriation, the highway should be completed in 3 years.

I am certain I voice the ardent wish of every member of our committee that the work may be prosecuted just as aggressively and rapidly as sound construction policies will permit, and that we may all look forward to the day, not longer than 3 years off, when citizens of the United States may easily, by motor-car, traverse our friendly neighbors, Mexico and the Central American countries, to arrive at Panama City or the Canal Zone, which is such an important part of this Nation's investment in economic and military stability.

Mr. MANSFIELD. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. Can the chairman of the committee tell me the status of the appropriation for the Great Falls Air Base and the Glasgow Air Base?

Mr. HAYDEN. Those items were spelled out in the House bill.

Mr. MANSFIELD. But I believe they were eliminated on points of order.

Mr. HAYDEN. Yes; subsequently in the House they were stricken from the bill on points of order. The committee restored the necessary funds for the Great Falls Air Base, in the amount of \$5,523,000; and provided for the Glasgow site, for the Air Defense Command, \$4,706,000. That appropriation is in a lump sum. The House committee report indicates how the lump sum is to be expended, and the Senate report shows the changes recommended from the House committee report.

Mr. MANSFIELD. I thank the chairman. I wanted to get assurance that the projects were included in the bill which is now before the Senate, and to ascertain what amounts were being provided.

Mr. HAYDEN. The amount stated in the committee report is the same as the amount contained in the bill as it was reported to the House.

Mr. MANSFIELD. I thank the chairman.

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

Mr. HAYDEN. I yield.

Mr. HUMPHREY. As a matter of clarification, with respect to the item which relates to the White House Conference on Education, is that fund adequate to take care of the estimated expenses of the delegates from all sections of the country who will attend the conference?

Mr. HAYDEN. The amount allowed was the full amount of the budget estimate, and included the transportation expenses of the persons who would attend the conference.

Mr. HUMPHREY. Am I correct in understanding that the provision will apply equally in all States?

Mr. HAYDEN. Yes. The idea was that if the conference was to be successful, all the States should be represented; and if no funds for transportation were provided, only those who could afford to spend their own money would come to Washington.

Mr. HUMPHREY. Yes. Another item is that relating to the Atomic Energy Commission. As the Senator may recall, the House included funds, if my memory is correct, for research and development. I believe the House provided an additional sum of approximately \$25 million. Has that item been retained in the appropriation bill as reported by the committee?

Mr. HAYDEN. Yes; it has been included.

Mr. HUMPHREY. So that we may clearly understand the situation, can that money be used for pilot-plant demonstration and pilot-plant experimentation?

Mr. HAYDEN. Everything recommended in the budget estimate was allowed, except funds for the reactor for the cargo ship. All other items as planned by the Commission are carried in the bill.

Mr. HUMPHREY. Since some Senators are interested in the question of REA development, is there anything within the language of the appropriation bill in connection with this particular atomic energy research and development fund which would prevent or prohibit the Atomic Energy Commission from cooperating with rural electric cooperatives in the establishment or the creation of reactor plants or furnaces?

Mr. HAYDEN. That is taken care of under operating expenses, which are appropriated for in the public-works bill. But so far as cooperation is concerned, there is no prohibition against the Atomic Energy Commission cooperating with REA's any more than there is against cooperation with other organizations.

Mr. HUMPHREY. In other words, the funds which are provided for the Atomic Energy Commission in the area of research and development would be available for experimental purposes and pilot-plant purposes for a private utility, a rural electric cooperative, or whatever legitimate purpose of reactor development the Commission might desire, with the exception of the ship.

Mr. HAYDEN. Provision for the ship is omitted from the bill; that is all.

Mr. HUMPHREY. The so-called commercial ship.

Mr. THYE. Mr. President, I am glad the question was asked of the chairman relative to the discretionary authorization to the Atomic Energy Commission relative to research activity and pilot-plant development for the REA Association, because as the matter was discussed in committee it was my understanding that the funds would be made available for use at the discretion of the Atomic Energy Commission, and that the Commission could enter into that field for the purpose of research activity.

I wish to offer three amendments to the bill. The first amendment I propose is immediately after line 4, page 2, following the headings "Agricultural Research Service" and "Salaries and expenses." My amendment reads:

For additional amount for salaries and expenses for research, \$380,000.

I believe the funds my amendment suggests must be provided so that additional research activities may go forward. If the problem of surpluses is to be solved, it will have to be done to a great extent by means of research; certainly research will help. I think the amendment is a sound one. I have discussed it with officials of the Department of Agriculture and they are in full support of the amendment.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Will the Senator submit his amendment?

Mr. THYE. I cannot, sir. I have it attached to my copy of the bill. To that copy of the bill are attached my two amendments. The other amendment is intended to be proposed after line 15, page 3, to insert the following language:

FARMERS' HOME ADMINISTRATION

LOAN AUTHORIZATIONS

For additional amounts for "loans authorizations," for loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, \$15 million: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952.

The language of the amendment has been checked with the Department of Agriculture, so that it will conform with whatever terminology the Solicitor may find to be necessary.

Then on line 19 of the same page, where the sum of \$850,000 has been stricken by the committee, under the subheading "Salaries and Expenses," I proposed to insert the amount of \$350,000.

I can send this marked-up bill to the desk, if it is desired, Mr. President, so

that the clerk may have it, but I have read the amendments which I propose to submit to the bill. I believe the chairman of the committee has had the question raised and explained to him.

Mr. HAYDEN. Mr. President, the committee had under consideration certain other provisions which were not authorized by law. What I understand the Senator from Minnesota is doing is offering an amendment which is not subject to a point of order.

Mr. THYE. That is correct.

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

Mr. THYE. I yield.

Mr. YOUNG. Does the Senator plan to offer all three amendments en bloc, or separately?

Mr. THYE. They could be offered en bloc, because they relate to research and increasing the amount of money available for research and loans under the Bankhead-Jones Act. If additional funds are provided, the administrative funds must be increased. That is the reason for proposing the amount of \$350,000.

Mr. YOUNG. Mr. President, I think the restoration of \$15 million for loan authorization under the Farmers' Home Administration is fully justified. The Department of Agriculture had asked for \$30 million. I think a mistake was made in the committee itself in writing up the bill, because I do not believe the committee intended to delete the entire \$30 million, but only that part for which there was no authorizing legislation, such as loans to part-time farmers, and appropriations for like purposes. There is opposition to this item in both the House and Senate Agriculture Committees. We had considerable opposition in our own Appropriations Committee, and I think the \$15 million should be restored, together with the \$350,000 for salaries, but I would object to restoring \$380,000 for research.

The Committee on Agriculture and Forestry has been very liberal with research funds. We have appropriated at least \$7 million more this year and last year than was appropriated in previous years. In the vast amount of money which has been appropriated for research, which is in excess of \$7 million, \$350,000 could be found for this purpose. I do not think it represents an emergency which has to be dealt with in a supplemental appropriation bill.

I hope the two items will be approved, but not the one for research.

The PRESIDING OFFICER. Will the Senator from Minnesota submit his amendments to the desk?

Mr. SPARKMAN. Mr. President, before that is done—

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. THYE. Mr. President, will the Senator from Arizona yield, so that I may state the reason for the \$380,000 for research?

Mr. HAYDEN. I yield.

Mr. THYE. The additional funds are needed to undertake research designed to aid low income farm families to improve their level of living, in line with the objectives set forth in the report on the

development of agriculture's human resources.

The total increase of \$380,000 would be used in connection with the following projects: One, farm and land management research, \$310,000, to aid such families to increase their earning capacity; and two, human nutrition and home economics research, \$70,000, to evaluate the effect of shifts to part-time or off-farm work on family living in terms of nutritional quality of diet and kind of living.

That is the justification for the amount proposed on page 2 following line 4.

Mr. YOUNG. Mr. President, the Department of Agriculture has had funds provided for exactly this same purpose. I would think they would be able to get along from now until next year on the very liberal allowances we have given them.

Mr. THYE. Mr. President, I would not be as positive in my feeling that the \$380,000 was needed as I am on the question of the \$15 million and the item for salaries and expenses of \$350,000, because I believe the loan fund is a necessity. If the loaning authority fund is increased, the administrative funds will be necessary.

To an extent I agree with the Senator from North Dakota relative to research, but I think the assistance which will be made available by increasing the amount of funds to be administered under the Bankhead-Jones Farm Tenant Act is an absolute must, because it is the only way to safeguard the young couples who are seeking to get established as tenants on farming operations of their own.

Mr. President, I certainly hope there will be no objection to the two amendments which are proposed on page 3.

Mr. AIKEN. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. AIKEN. I believe the amendments are very important. I believe the \$15 million amendment, relating to the Bankhead-Jones Act, is the most important; and, of course, the increased amount for salaries is important. Personally I favor the research program, because I believe it is important to have a particular kind of research in this field. However, I value the unanimity of the Senate as highly as or more highly than I do the extra amount which might be used for research. If the need for research funds becomes acute by the time the second session of this Congress begins, I am sure the Senator from North Dakota would not object to making an appropriation for that purpose.

Mr. YOUNG. I would be happy to consent.

Mr. AIKEN. It is simply a question of using the funds which are available for 4 or 5 months.

Mr. HAYDEN. Mr. President, may I suggest to the Senator from Minnesota that he withdraw the first amendment and offer the other two en bloc?

Mr. THYE. Mr. President, I ask unanimous consent that my first amendment, on page 2, be withdrawn; and that the other two amendments, on page 3, be considered en bloc.

The PRESIDING OFFICER. The Chair is advised that, as of the moment, no amendments have been submitted by the Senator from Minnesota.

Mr. THYE. The Chair is entirely correct; I just realized that.

Mr. President, I now offer the two amendments to be found on page 3 in the marked copy of the bill I have sent to the desk.

The PRESIDING OFFICER. The Chair understands that the Senator from Minnesota has requested unanimous consent that the two amendments on page 3 be considered en bloc.

Mr. THYE. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that his amendments be considered en bloc? Without objection, it is so ordered; and the amendments of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 3, after line 15, it is proposed to insert:

FARMERS' HOME ADMINISTRATION

LOAN AUTHORIZATIONS

For additional amounts for "Loan authorizations," for loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, \$15,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952.

And in lines 18 and 19, it is proposed to restore the language previously deleted by the committee amendment, and to amend the same, so as to read as follows:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," \$350,000.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from Minnesota.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

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

Mr. SPARKMAN. It is my purpose to offer a second paragraph at this point, and its effect would be to increase the administrative expenses, as carried in lines 18 and 19. Would such an amendment be in order after the amendment of the Senator from Minnesota, to increase the amount, is agreed to?

The PRESIDING OFFICER. The Chair will advise that such an amendment to the amount should be offered to the amendment of the Senator from Minnesota before it is agreed to.

Mr. SPARKMAN. Then, Mr. President, I ask unanimous consent that I may be allowed to send to the desk an amendment, to be stated at this time, before the amendment of the Senator from Minnesota is voted on.

The PRESIDING OFFICER. The Senator from Alabama has a right to offer such an amendment.

The amendment submitted by the Senator from Alabama to the amendment of the Senator from Minnesota will be stated.

1955

CONGRESSIONAL RECORD — SENATE

9915

The LEGISLATIVE CLERK. In the amendment of the Senator from Minnesota, it is proposed to insert, at the proper place:

For loans under title V, of the Housing Act of 1949, as amended (except grants under 504 (a)), \$25,000,000, to remain available until expended: *Provided*, That not to exceed the foregoing amount shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this heading in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That this paragraph shall be effective only upon enactment into law during the first session of the 84th Congress of S. 2126.

And in lines 18 and 19, in lieu of the language proposed to be inserted by the amendment of Senator THYE, it is proposed to insert the following:

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", \$1,300,000.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

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

Mr. KNOWLAND. I wish to ask whether the amendment of the Senator from Alabama would fall under the heading of a conditional appropriation, which is prohibited.

The PRESIDING OFFICER. The Chair rules, on the advice of the Parliamentarian, that the proposed proviso is in order.

Mr. HAYDEN. Is the ruling based upon the fact that a bill authorizing the loans has been passed by the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Alabama to the amendment of the Senator from Minnesota is in order because it carries the provision of an act which has been passed by the Senate.

Mr. THYE. The bill has not been passed by the House, has it?

Mr. HAYDEN. No; but the bill has been passed by the Senate; and thus the amendment to the amendment is in order, under our rules.

The PRESIDING OFFICER. The Chair is advised that the bill has not passed the House of Representatives.

Mr. SPARKMAN. Mr. President, let me point out that the amount proposed to be carried in lines 18 and 19 would take care of the administrative expenses required for this amendment to the amendment, and also of the administrative expenses required for the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama to the amendment of the Senator from Minnesota.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendments offered by the Senator from Alabama [Mr. SPARKMAN] to the amendments offered by the Senator from Minnesota [Mr. THYE].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing en bloc to the amendments offered by the Senator from Minnesota, as amended by the amendments of the Senator from Alabama.

The amendments as amended were agreed to.

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

INCREASE IN SALARIES OF OFFICERS AND MEMBERS OF METROPOLITAN POLICE FORCE, ETC.—CHANGE IN ENROLLMENT OF S. 2428

Mr. MANSFIELD. Mr. President, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution (S. Con. Res. 53) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2428), to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes, to make the following change, viz: On page 5, line 15, of the engrossed bill, strike out "63f-63k" and in lieu thereof insert "61f-61k."

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

FELICITATIONS OF CONGRESS TO COMMONWEALTH OF MASSACHUSETTS ON 175TH ANNIVERSARY OF THE ESTABLISHMENT OF ITS CONSTITUTION

Mr. O'MAHONEY. Mr. President, I ask unanimous consent for the present consideration of House Concurrent Resolution 193, extending the felicitations of Congress to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution.

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution coming over from the House, which will be read.

The concurrent resolution (H. Con. Res. 193) was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its felicitations to the Commonwealth of Massachusetts on the 175th anniversary of the establishment of its constitution, and expresses the gratitude of the American people for the part played by the early statesmen of Massachusetts in building the foundations which have served the Commonwealth and the Republic so well.

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

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. O'MAHONEY. Mr. President, the House concurrent resolution is identical with Senate Concurrent Resolution 50, which was submitted by the Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY]. On behalf of the Committee on the Judiciary, I ask that the concurrent resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 193) was agreed to.

The preamble was agreed to.

SUPPLEMENTAL APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

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

Mr. THURMOND. Mr. President, I should like to ask the Senator from Arizona [Mr. HAYDEN] a question. Does the pending appropriation bill include \$5 million for the Fort Jackson Hospital?

Mr. HAYDEN. Yes; that item is included in the bill.

Mr. CARLSON. Mr. President, I wish to make inquiry with respect to the appropriation for the Command and General Staff College at Fort Leavenworth, Kans. Through the kindness of the distinguished senior Senator from New Mexico [Mr. CHAVEZ], I had the privilege of appearing before the committee and presenting the item. I was accompanied by Secretary of the Army Stevens and General Davidson, the commandant at the Staff College.

On page 13 of the committee report, I find the following paragraph:

Command and General Staff College, Fort Leavenworth: The budget estimate for this item was \$8,615,000. The House committee reduced this amount by \$5,433,000. Total restoration was requested. The Senate committee granted an additional \$200,000 for planning of the academic building, or a total of \$3,382,000.

Am I to understand from that language that the amount available—provided the item is approved in conference—will be \$3,382,000?

Mr. HAYDEN. The Senator is correct. Plans and specifications will be prepared, so that at the next session of Congress this item can be fully considered.

Mr. CARLSON. I appreciate the consideration shown by the committee with respect to this item. The structure concerned is an important academic building, necessary in the operation of the Command and General Staff College. This is where a thousand or 1,200 top flight officers of all branches are instructed. I hope that in the next session of Congress sufficient funds will be provided to construct this building.

Mr. STENNIS. Mr. President, I heartily second the statement of the Senator from Kansas [Mr. CARLSON]. I know of the need for this item. I have been on the premises. The Command and General Staff College at Fort Leavenworth is a permanent part of the military program. It pertains to the training of top flight officers. It certainly deserves attention. So far as I am concerned, this item will receive attention next year.

Mr. CARLSON. Mr. President, I express my sincere thanks to the Senator from Mississippi.

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

Mr. NEUBERGER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

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

The LEGISLATIVE CLERK. On page 10, line 8, in the committee amendment, after the word "expended", it is proposed to strike out "486,427,000" and insert "\$486,426,000."

Mr. NEUBERGER. Mr. President, I should like to explain, for the benefit particularly of the distinguished Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], who, I am glad to see, are present in the Chamber at this moment, that the amendment which I have sent to the desk deals with the Wichita Mountains National Wildlife Refuge, which has been discussed briefly on the floor of the Senate in the past few days.

Mr. President, the proposed transfer of refuge lands which the Army wants is not reflected in any way in either the authorization bill, H. R. 6829, or this Supplemental Appropriations bill, H. R. 7278. The item is not mentioned in House Report No. 1116, and cannot be found in Senate Report No. 1094. It is, therefore, easy to understand why so comparatively little objection was raised by those who want to preserve the Wichita National Wildlife Refuge when the Authorization bill was enacted and when the appropriation bill was passed by the House.

In the hearings, the Army made it clear, however, that included in the \$3,053,000 item for Fort Sill is \$2,200,000 for the purchase of approximately 20,000 acres of private lands south of the Wichita Refuge. It was stated during the hearings that \$1,000 of that amount is to cover the administrative costs of having the 10,700 acres of refuge lands transferred to the Army by the Department of the Interior—when, and if, Interior surrenders control of the lands.

The Interior Department made an alternative proposal to the Army last spring, but, as I have stated before, the offer has been ignored.

Mr. President, another fact my colleagues should consider seriously is that even after the Authorization bill has become law, and the appropriation bill has been passed by the House, neither the Refuge Manager of the Wichita, the Chief of the Refuge Division, the Director of the United States Fish and Wildlife Service, or the Secretary of the

Interior himself, will know exactly where the Army proposes to draw that new boundary line. The Army is requesting \$1,000 to cover the administrative expenses of negotiating the transfer, but what about the \$77,000 which the Interior Department would need to erect a new big game fence along the new boundary, and what about the additional \$100,000 which would be required to build new access roads into the refuge?

While we are on that subject, what about the money that would be required to round up, slaughter, and dispose of the 250 bison and 75 longhorn steers for which there no longer would be pasture on the remainder of the refuge? This would be another Fort Huachuca case over again. This spring the State of Arizona, in despair after trying to work out its game-management program with the Army on that reoccupied area, finally gave up and destroyed the entire buffalo herd at considerable expense.

Mr. President, provision seems to have been made in this bill for the \$1,000 the Army would need to negotiate the proposed land transfer, but where is the supplemental appropriation for the \$177,000 that would be needed by the Department of the Interior to cover the first obvious costs that would result from this deal? No, Mr. President, this whole thing needs more study, and more of an effort on the part of the Army to resolve its problems at Fort Sill. We do not have to hurry into these hasty decisions, especially during the closing hours of this session of the 84th Congress.

I therefore have offered an amendment to delete that \$1,000 from the Fort Sill appropriation, and let this legislative record show that Congress is opposed to the transfer of any part of the Wichita National Wildlife Refuge to Fort Sill.

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

Mr. NEUBERGER. I yield.

Mr. MANSFIELD. Is it not true that if the agreement advocated by the Army is put into effect, it will cost the Fish and Wildlife Service \$177,000 for the erection of fences and other appurtenances?

Mr. NEUBERGER. It will cost the Fish and Wildlife Service at least \$177,000, because it will have to erect fences and take care of the animals which are now in that portion of the refuge proposed to be taken over by the Army. The Fish and Wildlife Service will have to provide further supervision, and the cost will be at least \$177,000, if not more.

Mr. President, it is with some trepidation that I have advocated an amendment to the bill, when I know that the two very distinguished and able Senators from the State of Oklahoma have been in favor of the proposed reduction in size of the Wichita Mountains National Wildlife Refuge, for the purpose of enlarging the artillery range at Fort Sill.

Let me say to them that it is my candid opinion that whenever Federal lands are concerned, it is not a State matter. When we had before us the issue of building or not building a dam which would flood out the Dinosaur National

Monument, that proposal concerned not only Utah, but the entire Nation.

There are people in my State of Oregon who desire to reduce the size of the Tule Lake Wildlife Refuge, so that they can enlarge reclamation farms and homesteads; and, although those people are my constituents, I am opposed to it, because I believe that these are Federal reservations, and that the people of the entire United States have a stake in them.

For example, I have opposed reduction in the size of the Olympia National Park in the State of Washington, even though many of the major trade unions which are very active in my State might obtain additional employment through logging of the forests within that national park.

When I was a member of the State Legislature of Oregon I voted against a memorial to Congress seeking to have transferred forests of the Bureau of Land Management to the jurisdiction of the State of Oregon, because I thought the forests properly belonged to all the American people, whether they lived in Brooklyn, N. Y., Milwaukee, Wis., or Seattle, Wash.

Mr. President, I believe a national question is at stake in reducing the size of this great wildlife refuge. Once we reduce the size of the Wichita Mountains Wildlife Refuge, we will have pressure put on us at the Tule Lake refuge in Oregon and California, and at the Olympia National Park in Washington. Pressure will also be put on us with respect to Yellowstone National Park in Wyoming, and at other parks as well.

All these great issues go together, Mr. President.

Therefore, I have submitted an amendment to prevent the reduction in size of the Wichita Mountains Wildlife Refuge for the purpose of enlarging the artillery range at Fort Sill.

Mr. HAYDEN. Mr. President, the committee took the action indicated because the members of the committee felt it was in the interest of national defense to do so. Apparently there is a conflict between the fish and wildlife interests and the national defense interests.

In view of the fact that Fort Sill, Okla., is and has been for many years the great artillery training center of our Army, we felt that the slight change involved ought to be made. It is not a substantial change, as can be seen by looking at a map of this whole tract. For that reason the committee has approved the amendment.

Mr. MONRONEY. Mr. President, it is with a great deal of regret that the Senator from Oklahoma speaks on this issue.

It was absolutely necessary to take the action recommended in the interest of preserving the Nation's oldest and most famous artillery post. Fort Sill was not established yesterday or during World War II or during World War I. It was established in 1907. Almost every artilleryman who has served our country in its wars has graduated on the terrain of the Fort Sill Reservation. It is unusual terrain, and it gives artillerymen the widest possible choice of firing practice, which will develop, as it has developed in

1955

CONGRESSIONAL RECORD — SENATE

9927

encouraged. That is why, as the chairman of the committee knows, in previous years I have urged the approval of this particular item, so that the transmission line could be constructed. In the past we were not successful, although, may I say, on several occasions we came very close to success.

This year, my colleague and I joined in the joint public representations on this matter and in representations to the committee. I wish to say to the committee that we deeply appreciate their action on this meritorious and sound item.

THE PRESIDING OFFICER (Mr. THURMOND in the chair). The bill is open to further amendment.

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

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

The bill was read the third time.

THE PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 7278) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, and Mr. THYE conferees on the part of the Senate.

THE EMERGENCY ACCELERATED AMORTIZATION PROGRAM

Mr. FULBRIGHT. Mr. President, last Tuesday, I commented on a newspaper report about Secretary Humphrey's testimony on the emergency accelerated amortization program. In my comments, I pointed out that I had opposed the 1954 revision of the Internal Revenue Code because of its amortization provisions, and I indicated that this was the amortization provision to which I objected in last year's bill.

Secretary Humphrey has called to my attention the fact that it was the general amortization provisions of last year's bill to which I had objected, rather than to the continuance of the emergency accelerated amortization provision; and I wish to make this correction, for the benefit of the Senate.

The emergency accelerated amortization program under section 168 of the Internal Revenue Code, formerly section 124A, is a justified measure to assist in increasing defense-production capacity, where this method is the most satisfactory from the point of view of the Government. Of course, as Secretary Humphrey pointed out, such measures are justified only as emergency measures, and should be stopped as soon as the emergency is over.

This is why it is surprising to find that during the past three quarters, the num-

ber and the dollar value of the certificates issued have been increasing.

The Office of Defense Mobilization, the certifying authority under the law, seems to find more emergency facilities, rather than less, necessary. As the authority to issue these certificates is entirely discretionary, I agree with Secretary Humphrey's concern at this new trend.

This seems one more case, like the exemption from the antitrust laws for voluntary agreements, or the exemption from the conflict-of-interest statutes for industry-paid employees, where the Administration favors continuance and extension of emergency measures which benefit business, particularly big business, at the same time as it takes pleasure in announcing that price and rent controls may be ended because the emergency is over.

The general provisions concerning amortization, relaxing the requirements for the benefit of industry, are a different matter. My objection to those provisions, as to the other provisions encouraging investment, such as the dividend credits, was that such strong measures of encouragement to investment, as contrasted with tax relief for consumers, were not necessary in 1954 to continue the flow of funds into investment. It is not clear just how far these measures helped to stimulate the stock market in its upward course last fall and winter. But it seems clear that these encouraging measures provided somewhat more enthusiasm for investment than was needed by the stock market.

Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks the following:

A copy of a letter dated July 20, 1955, addressed to me by the Secretary of the Treasury, calling my attention to the difference which I mentioned, together with his statement to the Subcommittee on Legal and Monetary Affairs of the House Government Operations Committee; a copy of my letter, dated July 26, 1955, in reply to the Secretary's letter, together with a United Press dispatch of July 4, describing the latest period in which the tax writeoffs have been allowed by the Office of Defense Mobilization, particularly calling attention to the nature of the amortization provision with respect to the Atchison, Topeka & Santa Fe Railroad, as an example of accelerated amortization for a purpose which it is difficult for me to believe is necessitated by any emergency in the national defense.

There being no objection, the matters referred to were ordered to be printed in the Record, as follows:

THE SECRETARY OF THE TREASURY,
Washington, July 20, 1955.
The Honorable J. W. FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR: My attention has been called to some news reports last night, originating from your remarks in the Record at pages 9354-9355 relating to my testimony before the Subcommittee on Legal and Monetary Affairs of the House Government Operations Committee, with respect to accelerated amortization.

I have carefully read your remarks in the Record and I am afraid that you are confused between the provisions for accelerated amortization about which I was testifying and the new provisions which revamped the regular depreciation schedules in last year's tax law, which were not under discussion.

The Record quotes you as saying: " * * * that this is a procedure or policy which was initiated during the Korean war and has continued since that time, and that all of a sudden the Secretary of the Treasury has discovered that it is an artificial stimulus of a dangerous character. This is the very point which was under consideration last year during the debate on the tax bill, and it was one of the principal reasons why I voted against the tax bill, and why I believe a number of other Senators voted against that bill."

I well remember your objection in the debate last year to the tax bill and to its provisions relating to the depreciation schedules. These, however, have nothing whatever to do with accelerated amortization about which I was testifying on Monday, and it is a fact that those provisions for accelerated amortization were actually passed by the 81st Congress, effective as of January 1, 1950, and they have continued as a part of the Korean program since that time.

For your information, I am enclosing a copy of my statement before the subcommittee, in which you will see that my whole point is that the Korean provisions have now largely outlived their usefulness, and, therefore, from now on should be sparingly used and rigidly confined.

I am sure you will want to correct your mistaken criticism of my position, and I am very glad to have the opportunity to supply you with the facts concerning it.

Sincerely,

GEORGE M. HUMPHREY.

STATEMENT BY SECRETARY OF THE TREASURY HUMPHREY BEFORE THE SUBCOMMITTEE ON LEGAL AND MONETARY AFFAIRS OF THE HOUSE GOVERNMENT OPERATIONS COMMITTEE, JULY, 18, 1955

TREASURY DEPARTMENT,
Washington.

Mr. Chairman and gentlemen, I welcome this opportunity to appear before you and to express the point of view of the Treasury Department on the provisions in our tax laws which allow accelerated amortization for income tax purposes of the cost of certain "emergency facilities."

I want to make it clear that I am not urging repeal. Final decisions on the scope of the program should not be made until the studies now being made by the Defense Mobilization Board have been completed. I wish at this time simply to make certain suggestions which I believe should be carefully considered in any study of the matter.

The "crash" defense program which was initiated in connection with the Korean War has been substantially completed.

Emergency amortization served a useful purpose during the early phases of rebuilding and expanding defense plant capacity to meet that emergency. However, the accelerated tax writeoff is an artificial stimulus of a dangerous type. Its indefinite continuance involves the very real danger that interests receiving the benefits of it come to rely upon it to the detriment of others who are not so favored. A defense mobilization program on a substantial scale may be essential for years to come. Expansion of our defense facilities should be an integral part of our broad, orderly, long-range, natural economic growth. Our basic defense capacity cannot soundly be separated from the broad base of productive capacity in general on which our Nation relies for its economic strength. Artificial stimulants may well become artificial controls. Because this one is not of universal application but is be-

stowed only upon some who especially qualify as against others who do not, it could become a hindrance to sound, balanced, vigorous growth of our whole free economy. It is not the American way.

Moreover, I think it important to remember, in any consideration of the problem, that several recent changes in the tax laws have substantially altered the tax picture which existed when accelerated amortization of emergency facilities was first adopted. Then we had an excess-profits tax which took up to 82 percent of the profits from corporate business, and thereby tended to discourage large expenditures for new-plant facilities. That tax was repealed as of January 1, 1954. The new liberalized depreciation methods under the 1954 Internal Revenue Code now permit faster capital recovery by all taxpayers equally and meet the basic needs of the whole economy. This reduces the need for singling out particular taxpayers or particular facilities for more favorable treatment than others receive.

A highly selective program may well have merit if it is strictly limited to very special cases—where there is present and pressing need for goods that would be a "must" in time of war and which cannot be met by present facilities and where Government contribution is necessary to meet those goals. I suggest, however, that the broader the program—the more it extends into areas other than the direct production of goods that are directly needed for war—the more difficult it becomes to administer wisely, without essentially arbitrary or discriminatory results.

Indeed, the very existence of such a program may lead some taxpayers to construct facilities deliberately colored to meet supposed defense need. The tax benefits often could more than absorb the waste and extra expense to the taxpayer—but it hardly would be good for the economy.

The revenue effects of the program are significant. I shall present four statistical tables to the committee. They have been prepared by the Treasury staffs. These tables will give you the facts, and our estimates of the direct dollar impact of the present program on the revenue. You will note that the estimated revenue loss this fiscal year will be \$880 million. With our budget not in balance, this figure gives us serious concern. Extension of the program well may stand in the way of future more general tax reductions for all taxpayers which would be of important assistance to all business and to our continued economic growth and expansion.

Finally, I should like to speak very frankly about this use of the tax laws to further special programs and accomplish purposes other than simply the collecting of taxes. The power to tax is the power to destroy and revenue laws should be used only to equitably raise revenue, not for other indirect purposes. It is dangerous to use the tax laws for social purposes, to favor one citizen or group of citizens over others, to exercise economic controls, or to indirectly subsidize any segment of our economy.

If, in the wisdom of the Congress, such subsidies or assistance to special communities or for special purposes are desired, then appropriations should be made for the purpose which can be submitted to the Congress through regular channels where the amounts will be well known and where the Congress specifically can vote in favor of or in opposition to special treatment for any group. Under this program of tax reduction in special cases, our net revenues can be reduced and our deficits increased without formal action or appropriations by the Congress. This use of the tax laws, where the stimulants are applied by men, not by law, is appropriate only in an emergency

or under special conditions under rigid restrictions when usual procedures are inadequate for our protection.

Rapid amortization unquestionably was of real assistance in expediting preparation for the war and still can be useful if limited strictly and exclusively to that end. It induced the investment of large sums of private means for production that was made available under private management far better and far quicker than otherwise would have been obtained. It kept the investment of public funds to a minimum and it left no great burden of public properties to be disposed of when their war purposes had been served.

The Office of Defense Mobilization has recently requested the agencies that make recommendations to it such as the Departments of Commerce and Interior and the Defense Transport Administration, to review all existing expansion goals with the following points in mind:

1. Evaluate goals on the basis of defense need. The need for additional expansion shall be quantitatively measured in terms of wartime supply and requirements.

2. Expansion goals shall be based upon shortages which, in the judgment of the delegate agency, will not be overcome without the incentive of tax amortization.

When the Defense Mobilization Board has completed its review of the program in the light of these criteria, and made its recommendations to the Director of Defense Mobilization, it is expected that the program for the future will be on a proper basis.

This is not critical of the past. Nor is it thought best to abandon the practice entirely. But its usefulness in the future will be greatest for the good of the Nation as a whole if from now on it is used only sparingly and very rigidly and strictly confined to direct war-requirements applications.

Effect of allowance of emergency amortization certificates; based on certificates of \$30,521 million issued through June 29, 1955

[In millions of dollars]

Calendar year	Value of completed projects ¹	Amount subject to accelerated amortization	Normal depreciation ²	Accelerated amortization	Excess of accelerated amortization	Decrease in tax liabilities ³	Calendar year	Value of completed projects ¹	Amount subject to accelerated amortization	Normal depreciation ²	Accelerated amortization	Excess of accelerated amortization	Decrease in tax liabilities ³
1950.....	700	420	6	21	15	7	1958.....	30,521	18,313	1,279	2,060	781	351
1951.....	4,167	2,500	87	292	205	113	1959.....	30,521	18,313	1,228	1,383	155	70
1952.....	9,683	5,810	249	831	582	348	1960.....	30,521	18,313	1,146	743	155	70
1953.....	16,000	9,600	463	1,541	1,078	563	1961.....	30,521	18,313	1,080	372	-708	-319
1954.....	22,000	13,200	787	2,280	1,493	787	1962.....	30,521	18,313	1,037	200	-837	-377
1955.....	26,594	15,956	1,132	2,895	1,763	862	1963.....	30,521	18,313	1,000	68	-937	-422
1956.....	28,244	16,946	1,279	2,999	1,720	796	1964.....	30,521	18,313	967	0	-967	-435
1957.....	29,479	17,687	1,269	2,633	1,364	665							

¹ End of year. These estimates are based on the ODM reported figures, but are modified in order to reconcile with corporate amortization deductions for 1951 and 1952.

² Computed on the basis of a straight-line rate of 6 percent, assuming that all certificate holders use the declining-balance method at 200 percent of the straight-line rate

for assets acquired after Jan. 1, 1954, switching to straight line when it becomes advantageous.

³ Effective tax rates reflecting rate decrease scheduled under present law.

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.

Effect of allowance of emergency amortization certificates

[In millions of dollars]

	Decrease in tax collections
1951.....	4
1952.....	77
1953.....	266
1954.....	569
1955.....	776
1956.....	880

Effect of allowance of emergency amortization certificates—Continued

[In millions of dollars]

	Decrease in tax collections
1957.....	810
1958.....	825
1959.....	370
1960.....	87
1961.....	-167
1962.....	-310

Effect of allowance of emergency amortization certificates—Continued

[In millions of dollars]

	Decrease in tax collections
1963.....	-374
1964.....	-420
1965.....	-434

Office of the Secretary of the Treasury, Analysis Staff, Tax Division, July 18, 1955.