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permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. HOSMER. Mr. Speaker, I object.

FREE IMPORTATION OF GIFTS FROM MEMBERS OF ARMED FORCES ON DUTY ABROAD

Mr. COOPER, from the Committee on Ways and Means, reported the bill (H. R. 7205, Rept. No. 1175) to extend for 3 years the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad which was referred to the Union Calendar and ordered to be printed.

SUPPLEMENTAL APPROPRIATIONS, 1956

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate proceed not to exceed 4 hours.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Speaker, reserving the right to object, there is nothing in the request about the control of the time.

The SPEAKER. The Chair is sure that that is understood.

Mr. CANNON. Mr. Speaker, I supplement that with the request that the time be equally divided, half to be controlled by the gentleman from New York [Mr. TABER] and half by myself.

Mr. TABER. Further reserving the right to object, Mr. Speaker, is it expected that the bill will be concluded today?

The SPEAKER. It depends on how fast the committee in charge of it works.

Mr. TABER. That is what I was trying to do.

The SPEAKER. It is hoped that it may be completed today.

Mr. TABER. It seems to me that 3 hours would be sufficient to cover whatever we would need on the bill. I wonder if the gentleman could not reduce that request to 3 hours.

Mr. CANNON. Mr. Speaker, I have a number of requests for time. The request is not to exceed 4 hours. If we can conclude it in 3 hours or 2 hours or 1 hour, I would be very happy. We shall consume no more time than is absolutely necessary.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7278) making supplemental appropriations for the

fiscal year ending June 30, 1956, and for other purposes, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Missouri [Mr. CANNON] will be recognized for 2 hours, and the gentleman from New York [Mr. TABER] will be recognized for 2 hours.

The Chair recognizes the gentleman from Missouri.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, with malice toward nobody but with determination to do my duty as I see it, I want to report to this House that yesterday I appeared before the Committee on Rules, as was the request of the full Committee on Appropriations. I told the Committee on Rules that this bill was filled with paragraphs that were subject to points of order; that the bill probably contained very few pages where a ruling could be denied against points of order, and the bill would be bad. I said there were so few pages that I limited it to about four pages that would not be subject to a point of order.

I read to the committee a prepared statement and said the bill contained many of the paragraphs that were in the final supplemental bill as handled by the Committee on Appropriations every year, and that a rule is usually granted.

The gentleman from New York [Mr. TABER], the gentleman from California [Mr. PHILLIPS], and the gentleman from Wisconsin [Mr. DAVIS] were present and opposed a rule. Mr. DAVIS lent his moral support.

Past history always allowed a rule. To my surprise the committee failed to act, and we find ourselves with a bill involving approximately \$1,650,000. Twelve subcommittees of the Committee on Appropriations worked on this bill, practically the entire membership of 50; the hearings comprise several volumes, yet under the situation the House will not be able to work its will as to accepting or rejecting the many provisions and amounts in this bill before us because a point of order would lie in most instances.

Rather than to have a field day on points of order I intend to ask unanimous consent to ask for deletion from the bill of all the paragraphs subject to a point of order so the House may work its will on that part of the bill on which the decision of the Rules Committee permits us to function. This will represent a big saving in time and much useless talk.

I regret that under the circumstances the normal procedure of originating an appropriation bill in the House in this instance, due to the denial of a rule, passes over to the other body. We pass over to them our prerogative of initiating appropriation bills. It will be entrusted in this instance to the Senate.

This, incidentally, is probably a new inconvenience to the House as a result of the Dixon-Yates fiasco. Previous to the consideration of the public-works

appropriation bill on the floor of the House, Republican Members held two caucuses, and there is no denial of the fact that they were concerned over Dixon-Yates. As a result, when the public-works appropriation bill came to the floor of the House, we had a demonstration of logrolling never equaled in my long years of service in this body, and there was pork on both sides of the aisle. The committee completely lost control under the policy of "You rub my back and I'll scratch yours." As a result, we took the bill to the Senate with little or no grounds on which to argue with that body, inasmuch as, living in a glass house, we were unable to throw a stone. That there is a connection between Dixon-Yates and that which is taking place here today there is no doubt.

Then, when the public-works bill emerged from the Senate-House conference we had the camel's nose under the tent with new expenditures that eventually will hit proportions of from \$10 billion to \$20 billion. And today with a bill up for consideration in the sum of \$1,650,000,000, approximately, we still hear the echo of the Dixon-Yates controversy. I think they are now talking about settlement of the controversy with damages running into a few million of dollars and the word being spread around is to be liberal. So there seems to be no need under the circumstances for the House to waste its time since we come without a rule on a bill that could prove of no use to us or to those who sought to embarrass the 50 members of the Appropriations Committee who worked long and hard, as is evidenced by the testimony compiled in several volumes before us. So this is my notice that I intend to cite the paragraphs that are subject to points of order and ask for their deletion from this bill.

Mr. TABER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I opposed the rule because there was a paragraph in the bill that I felt was not proper, and I do not believe that the Members of the House will feel it is proper if they read it. When that point is reached I propose to offer a point of order against it.

On the other hand, there are in the bill an enormous number of items, as always appear in a supplemental bill at the end of the session, that contain language that makes them particularly subject to a point of order. Those paragraphs have been before the House time after time and very seldom, if ever, have points of order been raised against them.

Frankly, I do not see how we can meet our responsibility in connection with the Government without consideration of a very large number of items that are covered in this bill. I cannot understand just why any Member of the House would feel that he should want to make a point of order against an item unless that item was, in his opinion, against the interests of the Government. That will be my approach to the problem and I will confine my points of order to what I believe may not be in the interests of the Government.

With that statement, I shall feel obliged to object to an omnibus request

to be made before the reading of the individual paragraphs.

Mr. CANNON. Mr. Chairman, the United States—its Government—its institutions—and its people are in dire danger.

They are confronted by the greatest, the most powerful, the most ruthless, the most modern, military organization in the history of the world—ready to attack at the first sign of weakness.

The Bolsheviks have announced, and it has been their position from the beginning, that communism and democracy cannot live side by side and they they propose to take over by force and violence the rights and property of every people in the free world, as they have already taken over the satellite nations which surround them.

It has not only been their open objective, their philosophy, their program, but they have steadily and consistently organized and drilled armies, and equipped them with modern armament, in order to be in a position to carry out that objective at the first opportunity.

We are in danger not of defeat; not of a situation which can be retrieved in case of disaster. We face extermination.

The Russian dictatorship still adheres to the Marxian philosophy of world revolution and proletarian dictatorship. It is arming and has continued to arm feverishly. Their factories running in three 8-hour shifts per day, are preparing to take over America, to destroy our cities, to drive what is left of our population into concentration camps and slave-labor barracks. Do not say it cannot be done. It has taken place before our eyes in Russia and every Russian conquest.

And, they have driven a knife between us and our allies. In every former war we have had powerful allies who held the enemy in check until we could get ready, until we could mobilize and prepare. Today every potential ally is under the guns of the Communist regime. They could not survive 24 hours against the barrage of atomic weapons which Russia is prepared to launch within an hour or sooner.

And therein lies our greatest danger. War has developed so drastically that it is now largely matter of who gets in the first blow. The battleship is now as obsolete as the bow and arrow. The mighty *Missouri* is a museum piece. At one time our first line of defense, the battleship and heavy naval guns, developed to a point where the ship that got in the first shot, that made the first hit, was practically in control of the situation.

To practically the same extent today a Nation with sufficient bombs and the planes to deliver them can with one stroke simultaneously attacking every center of communication, production, transportation, and population, so paralyze us that there could be no recuperation. The theory of retaliation upon which we have depended so strongly in recent years is no longer applicable. Our military authorities tell us that with a simultaneous attack with weapons which Russia now has at her command

they could destroy at the first blow 53 of our major cities, including Washington. The only defense that has been suggested is evacuation.

The President this week asks Attorney General Brownell to conduct a study of methods of invoking martial law, government by the Army, over the entire country. Nothing could more vividly and more emphatically delineate the situation in which we find ourselves—the danger of the country today than the study of this stark measure of last recourse. Only the most imminent potential menace could have prevailed on the head of the government to resort to such significant measures.

And the President has moved none too soon. Russia today has military superiority over all the combined powers of the entire free world. They have more modern submarines by far.

Within the last fortnight we are told it has just been discovered that Russia has superiority in numbers and design of planes with which to deliver the atomic bomb around the globe. They have acres of modern tanks. They have a manpower which the free world cannot approach. Within 30 to 60 days they could sweep every free nation from the continent.

And this situation is deplorably illustrated by the supine attitude of the United States Government today.

Ah, you will remember, Mr. Speaker, under the administration of Theodore Roosevelt, a foreign power detained one private American citizen and President Teddy Roosevelt sent one message. He said, "Pericardis alive or Raisouli dead." And in 6 hours that American citizen was released.

Mr. McCORMACK, the majority leader, placed in the RECORD this week a long list of civilian and military personnel, including priests, rabbis, ministers, nuns, now detained without any authority of law whatever and in contravention of all international jurisprudence—American citizens—and we do not dare to send the Roosevelt telegram.

You will remember that when they sank the *Maine* President McKinley declared war. No one ever knew whether the *Maine* was sunk by accident or by a military enemy, but on the mere suspicion that a foreign power had sunk an American ship in neutral waters we declared war.

You remember the *Lusitania*. She was not an American vessel. She sailed under the flag and the commission of another nation, but we had a few American citizens on board, and on the strength of that insult to our national honor Congress declared war.

Just the other day Russia deliberately shot down an American plane under conditions about which there could be no question whatever. They did not deny it. There was no excuse. What did we say? We said, "Oh, don't pay any attention to that. It was merely a local incident." What would Teddy Roosevelt have said to that? What would McKinley have said? What would the American Congress, which declared the last World War, say about that?

We have fallen on evil days. We cannot defend our own nationals. We do not dare to assert our national integrity under the most insulting circumstances. They shot down an American plane and then they came in as if they had knocked us down on the street and said, "Well, we'll pay half of your hospital bill." They say, "We'll pay half of the loss of your plane." And they laugh behind their hands, and all of the communistic world takes note that we dare not call them to time. Here were international criminals of the worst order destroying our planes in time of peace, and we did not dare resent it.

Mr. Speaker, we won the last war. We did not negotiate with the enemy. We called them in and said, "These are the terms of peace. Sign on the dotted line." And they signed. But today bands of lawless brigands in Asia bush-whack American citizens and we say, "Now, now, now, you ought not to do that. Be nice. Let us have a truce." But we have to wait for months even to get them to agree to a truce.

Mr. Chairman, that it was not the intrepid valor of our troops that won that war. It was not the superb generalship of the American command that won that war. It was not the patriotic support of the American people that won that war—it was the superiority of American science that won the war and ended the war. It was the landing duck; it was the proximity fuze; it was the all-seeing radar; it was the atomic bomb that won that war against European nations which had always insisted, and which the world had always conceded, were superior in research, and leaders in every scientific field of development and invention. American science coming from behind created the scientific instruments and agencies that won the war.

It was the TVA that made these scientific achievements possible. We could not have developed them; we could not have developed the bomb or the aluminum for the wings of the planes that carried the bombs had it not been for the TVA. And in this moment of dire national peril, confronted by the most menacing situation in the history of American arms, there are those who are moving to shackle TVA so that they can have more dividends, so they can profiteer on the American consumer.

Why are they opposed to TVA? Why do they seek to destroy REA and AEC?

Oh, they say it would create a Government monopoly. No; statements like that are as obviously false as any statement made by the Russian Government.

When our armies closed in on Japan, when hundreds of thousands of American boys were poised for the drive in which vast numbers of them would surely die, at that supreme moment one American plane with material supplied by TVA power—with one atomic bomb which could not have been made without TVA power—ended the war.

TVA saved the boys and sent them home to their families; TVA saved billions of dollars to the American taxpayers; TVA ended the war. But they say TVA should never have been built. It is socialistic. The natural resources of

the Tennessee Valley rivers belong to the people. But they should be paying dividends to private enterprise—to men like Samuel Insull and Dixon and Yates.

How can they justify such piracy? Oh, they say, "We want freedom." What freedom? Freedom to plunder the American consumer.

And they invariably wind up with "The Government is trying to establish a monopoly." No more barefaced effort to deceive was ever made. We are opposed to a government monopoly. We believe in private enterprise. We demand that the private utilities control at least 85 to 91 percent or more of the business of production and distribution of electric energy in the Nation. But the last 2½ percent at least, TVA and REA municipal ownership, should be retained—TVA by the Government, REA by the private cooperatives, farmer cooperatives, and municipal plants by the cities which have built and developed them. We must have these small yardsticks; we must have a policeman on the corner. The American consumer must be protected from exploitation and profiteering by the giant nationwide private monopolies.

"Oh," they say, "private monopolies cannot overcharge the consumer. We have Government regulation." The trouble is that Government regulation never regulates. We have an example of that in my State.

Some years ago when competition between buses and passenger trains—and between trucks and freight cars—became heated, a cry went up for the State of Missouri to establish a public utilities commission to regulate passenger fares and freight rates. And, thinking it would keep down transportation charges, we agreed to it.

The first thing they did was to call in the bus companies and order them to increase fares. "But," said the bus companies, "we are getting a good return on our investment. We are making good money at the present rates." "That has nothing to do with it," said the public utilities commission—the government regulation agency—"your rates are unfair competition with the railroads. Raise your rates on the consumer." And the buses raised rates that were already producing an adequate income.

Government regulation does not regulate. The only effective regulation is to keep a yardstick and the TVA, REA, and municipal ownership must be retained to protect the standard of living of the American family.

Of course when Dixon and Yates start their creeping monopoly there is danger of forgetting the real value of TVA. But Russia does not forget it. Our scientists have just learned that Russia built and has operated successfully since 1949 the largest synchro-cyclotron in the world.

The largest we have ever built in America has a maximum capacity of 450 million electron volts. But the Russian plant has a capacity of 680 million volts. The Dixon-Yates backers are proposing to destroy even the small one we have. But Russia is already outbuilding it. Russia is looking ahead. And the President is trying to make arrangements to maintain military government when the

Russian TVA and its products devastate 53 American cities—and tells Attorney General Brownell to try to figure out a place where Congressmen can assemble when Washington is destroyed—if there is a quorum left after the dust settles.

I appeal to the Congress to stop these men who are scheming, who are maintaining here in Washington such vast lobbies, who are intimidating Members back in their districts in a way that amounts practically to blackmail, as you have seen in the last 2 or 3 weeks. They are trying to take over TVA. But they cannot do it unless this Congress grants them the power to do it.

Mr. Chairman, will we in time of dire national peril give an irresponsible private monopoly control of the economic welfare of the Nation?

Mr. TABER. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, the portion of this bill to which I will address my comments has to do with military construction, which forms the principal item as far as the money involved in this measure is concerned. Of the over \$1.6 million provided by the various chapters, there is some \$1.4 million that has to do with military construction throughout the world set forth in chapter III.

While this comes to you in a supplemental bill, that huge sum for military construction is really an integral part of our military program and would normally come in the Defense Department appropriation bill for the current fiscal year had it not been for the fact that the thousands of items involved had to be processed. It was only in recent weeks that the details of the needs requested were presented to our committee. It required long, hard sessions, but even so, the time was too short to adequately cover such a large program.

One thing that you will note about the setup with respect to this chapter is that included are projects the cost of which totals roughly 25 percent more than the money that has been allotted by appropriation or transfer. That unusual situation comes about due to the fact that the services believe that inevitably in a program of this magnitude, which requires construction all over the continental United States and in many foreign countries, there will be slippages. They have requested that selected projects that have been authorized be appropriated for, as they would like to get them under way this year; but it is conceded it will not be possible to get them all under way during the fiscal year. They cannot, however, at this time definitely determine the ones that may or may not be delayed.

Our committee in its wisdom, has reduced the amount requested for the overall program even further because we felt that the slippage was sure to be even greater than for which the services had made allowance. But, there is still nothing in the way of an austerity program as far as the military portion of this bill is concerned. While it is true that there are only a limited number of permanent establishments provided for, the amount spent this year will greatly improve the living conditions of the men

in uniform both at home and abroad. Our committee has urged those carrying out the programs to concentrate on necessary operational facilities, and quarters for the soldiers, sailors, and airmen; that first priority be given these items wherever possible.

It is not practical to be arbitrary about various categories, because where in one location a post theater, for example, might be in the nature of a luxury and it may be that there are facilities that can be used, in other areas, if the post happens to be far away from civilization, if it happens to be in a locality where there are no amusements available, it might be almost a necessity. So it is that in a program as vast as this, with so many thousand line items, it is hardly the proper approach to say we will not approve any type of building across the board because it does not come within a certain priority category, when at a particular location it might be far more important than would seem to be the case in another locality.

The services, I think, are to be commended in that there is a program going forward and beginning to bear fruit of standard types of construction to be used for the most part in permanent installations. A new type of barracks has been developed for 2 units rather than for 1 with a capacity of 327, I think it is, troops in the Army, and a similar program for the installations on land in the other services. Standard types of bakeries, or post-exchange buildings, theaters, and so forth, have been worked out, and the program is going forward with the effort made to make living conditions and the so-called fringe benefits better for the men in the service. One of the very important elements in this program is the housing program for dependents, and there are a good many million dollars authorized to provide better living quarters in proper localities for dependents of those stationed in the area.

This chapter having to do with the Department of Defense has received the most careful study of the subcommittee during the limited time available. Of necessity, it was impossible to analyze the thousands of line items in great detail. However, I am confident that we have brought you a sound bill and I urge its passage.

(Mr. MILLER of Maryland asked and was given permission to revise and extend his remarks.)

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, it would seem quite certain that this bill is to some degree controversial. However, I think probably the major items in the bill, from the standpoint of money, are not very controversial. This bill provides \$1.8 billion for military public works within the continental United States and outside the limits of the continental United States.

This is not an austerity program. We have come to the acceptance of the philosophy that we are probably going to be in a state of peril as a nation over a considerable number of years. We have abandoned the idea of temporary construction, theater of operation type con-

struction. We are building our military installations on a more or less permanent basis. They cost a little more that way, but I, for one, feel that the best interests of national defense and economy are served by more substantial construction practices.

One of our troubles is the members of the Committee on Appropriations are not adequately prepared fully to comprehend and discuss all the features of the military portion of this bill. That is through no fault of our own. The President, through the Bureau of the Budget, did not send down the budget requesting \$2.2 billion for military public works until about the first day of July. The authorizing legislation upon which this portion of the bill is predicated is, I believe, to be signed perhaps this afternoon. So we have not had the opportunity which we desired and deserved in which to screen these requests for funds.

It is true that in the overall picture we have been pretty adequately briefed. We are building in the Army toward a reduced structure but a structure that will take care of our people on a permanent basis within the framework of our present regular forces.

In the Navy we have about 1,000 operating ships and with all the support required on land and at sea we are building to meet that requirement.

The Congress has been urging the Executive over a period of years to hasten the construction of a 143-wing Air Force program. That program in the last couple of years had been reduced to the 137-wing program. We are building the base, so to speak, for that sort of Air Force. And we have been told at great length and with some degree of clarity by the officials of the Department of Defense that these items in this bill are essential toward the realization of our demand for a 137-wing program.

As I say, this is not an austerity program. It costs us about \$5,000 every time a serviceman does not reenlist; and there are millions who do not reenlist. For good or ill, we are trying to make military life, since apparently it is going to be with us for a long, long time, more attractive to the young men of our country. In the desert we are building swimming pools. In other areas we are building gymnasiums. We are seeking to provide adequate recreational facilities. We are building clubs for noncommissioned officers and for enlisted men. We are building officers' clubs. We are doing a lot of things that perhaps some people would like to be critical of us for doing. But if we are going to undertake to have these American men of the Armed Forces live somewhat like the rest of us and if we are going to try to make military life more attractive and keep them in the service as a career, I think we have got to do that sort of thing. At least, that is the philosophy which we have accepted in approving this bill. I am not ashamed of the fact that we are building solidly in military construction. I think that is a step in the right direction.

Since we did not have an opportunity to explore each individual project as thoroughly as we should like to we are selecting some engineers to spend their

time between now and the reconvening of Congress making on-the-spot studies of these various projects. I for one think that such action is in the public interest and will be very helpful to the committee. It is impossible and I do not think it was ever intended that the Congress should inspect the way every nail is driven and every plan is laid out in every installation around the world. It is our duty to initiate policy, to make policy, and our overall policy with respect to this bill, as far as military construction is concerned, I think is good.

The bill is a little misleading if you look at the table of figures. The Army portion of the military public works is not to be financed out of any new appropriation to be made today. It is to be financed out of funds already available to the Army and unused and unrequired at this time for production and procurement, funds which the Army had but which it does not require now by reason of the fact that we have slowed down our military effort since the end of the Korean war. So that generally is the situation.

This bill provides for 523 projects in many nations including our own. We struck from the bill 14 projects. Of course, some of the projects are small and some of them are very large indeed. We struck from the bill certain proposed bases overseas. I for one have some very serious concern about this farflung program of base construction by the United States taxpayers in other sovereign countries of the world. I have no special alternative to offer, but I shall not be surprised if we wake up a number of years hence and find that these bases are no longer available to us. If those countries remain friendly, then perhaps we will continue to draw considerable benefit from the construction of these bases. I think the construction of these bases has meant a great deal in deterring aggression, but I think it would be foolish if we should fail to overlook the perils and dangers which are inherent in this operation, which almost seems fantastic when you sit and think of it soberly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I commend the gentleman on that statement and want to say to him that I certainly share his fears.

Mr. MAHON. I thank the gentleman for his contribution.

Here is the picture in brief and in round figures. There are \$2 billion worth of projects authorized. In the new bill, which I think the President will sign today, there are \$2 billion more authorized. The President through the budget has asked for appropriations in the sum of \$2.2 billion. We have reduced that sum in this bill by \$394 million, and the bill includes money in the amount of \$1,800,000,000. So that briefly and in rough figures is the picture.

For those who want to know about projects in their States and in their areas, let me refer you to the committee report because the committee report has, I think, a very excellent breakdown. I

think the committee report is a very excellent document. I believe that by reading it you will get perhaps a better picture than you will be able to get from this sketchy discussion on the floor.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ROGERS of Colorado. Your report came somewhat as a surprise to us in Colorado, particularly in view of the fact on Monday we went out and dedicated the Air Force Academy, and then on Tuesday, on page 32 of your report, you say that all new funds for the construction of the Air Academy are withheld, and it is the wish of the committee that no construction whatsoever be started until it has been approved by this committee. Also, I want to direct your attention to page 207 of the hearings of your subcommittee wherein it was outlined that there was \$15 million previously appropriated for the Air Force Academy. The first question is: Is it the intention of this committee that the Secretary for Air should not stop all plans that he has in connection with the Air Force Academy until his plans have been submitted and approved by your committee?

Mr. MAHON. There is no disposition whatever to insist that the plans for the Air Force Academy be approved by the committee because we are not engineers or architects, but the Department of Defense asked us to appropriate \$79 million for the Academy, which is to cost over the long pull probably about \$150 million. But, the Secretary did not know what the plans would be. He was not sure of the design. We were being asked to approve \$79 million of the taxpayers' money to buy something that even the Department of Defense did not know what it was going to look like. I think the gentleman from Colorado and I, myself, would hesitate personally to give the money for a house to be built or an edifice to be constructed when we did not know what it was going to look like. After the plans are drawn, and after the matter is agreed upon by the Secretary, then we hope that the Department can come back and get the money.

Mr. ROGERS of Colorado. Is that due to the fact that the testimony on page 206 of the hearings reflects that the plans themselves will not be ready, that is, the designs will not be finished before September of this year; and is it due to this fact that the committee hesitated to approve the complete \$79 million for the going ahead of the construction at this time?

Mr. MAHON. I would say that the plans, as we observed them, which are not final and which have not been accepted by the Secretary, did not impress us very much. It would appear to be an appropriate edifice for a modern factory or something of that kind, but there was so much controversy about these plans and so many reservations by members of the committee that we hesitated to put the money in the bill.

Of course, we realize we take some criticism for not putting the money in, but the gentleman will recall the lines of the Melancholy Dane who preferred to bear the ills he had rather than to

fly to others that he knew not of. We did not know just what this leap was going to be, and so in some degree of caution we clamped down on the purse strings for a time. I would like to exhibit this artistic drawing of the chapel. This seems to look like a tent of sorts, and when I saw it a very familiar line from an old hymn came to mind—tenting on the old campground. I suggest that a little bit of caution in the closing days of the session might serve us well when we return home.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DEANE. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes.

Mr. MAHON. Mr. Chairman, I yield further to the gentleman from Colorado.

Mr. ROGERS of Colorado. Certainly it does not subscribe to the testimony of Mr. Wright, the architect, that this chapel should be built up on the mountain about a thousand feet, and that they provide escalators to take them to and from the services.

Mr. MAHON. I will say that we did not undertake to pass on any design. Personally, I was unable to hear the testimony of Mr. Wright, except for a very few minutes, but looking at these buildings in the artist's drawing now before us, the Academy looks pretty flat. Maybe we ought to go a little higher up and see if we cannot get a little more glory for our country out of this project.

Mr. ROGERS of Colorado. It is my understanding that it was the intent of the committee that when the Secretary has submitted definite plans, which may remove some of the objections, particularly that of glass, and substituting stone or marble, and making it fit more into the picture against the mountain side.

Mr. MAHON. I am inclined to think it would. I thank the gentleman for making a contribution.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. CHENOWETH. I would like to relieve the gentleman's mind of the concern and apprehension over this particular design of the chapel. I was in Denver on Monday with other Members of the House and Senate to attend the dedication ceremonies of the temporary Air Academy at Lowry Air Force Base. I was very pleased to note that the design of the chapel has been changed, and in my opinion, greatly improved.

Mr. MAHON. Yes. I think they were originally proposing to make the sides quite considerably out of glass. It would have been quite expensive to hire workers to keep this glass bright and shiny. But I think we have been able to get them to recommend less glass. If we keep hammering away, we will have an edifice of which we can be proud.

Mr. CHENOWETH. I think the gentleman will be pleased with the new design of the chapel.

Mr. MAHON. I am glad to hear that. I do not want to ridicule this project. I think we are trying to do a good job, but we do not want to get so far out in the bright blue yonder that we lose the American people. The American people

are paying for this Academy, and they ought to get something that would please Americans generally.

Mr. CHENOWETH. I appreciate the gentleman's attitude. I know he wants to see the Air Force Academy the finest school that can be constructed, and one of which we can all be proud.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. ROGERS of Florida. I note that the committee has not seen fit to allocate moneys for the proposed Buckingham Center in Fort Myers, Fla., in my district. I have studied the needs thoroughly, and have gone over the testimony and discussed it with the Air Force. It is my understanding that this is a training center and the present facilities that the Air Force have do not allow them to properly train the Air Force for the defense of our country. I wonder what comment the chairman may have on that.

Mr. MAHON. There are rare exceptions when military facilities are located on a political basis. In all my experience I do not think I could name very many. I know there are no political implications to this project in Florida. We did not have time to go thoroughly into it. I have looked into this matter further since the hearings were concluded, and I am inclined to feel that the project is necessary if we are going to train these air-defense squadrons that guard our cities and would be available to us in the event of enemy attack. But it is true they have another facility of this general type in Yuma, Ariz. There are other areas over the ocean that would be available for use of the Armed Forces. We were hoping that this installation could be suspended and some of the other installations could be used. But I think the Defense Department was very probably correct, and I do not think the gentleman should be concerned about this problem. It should work out. It is one of those things about which there was a difference of opinion. I think we made several mistakes in the bill, I will say to the gentleman; perhaps this is one.

Mr. ROGERS of Florida. I thank the gentleman.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Indiana.

Mr. ADAIR. Directing the attention of the chairman of the subcommittee to page 29 of the report, I find there an item of \$285,000 for an air-reserve base at Fort Wayne, Ind., my home town. In communicating with people in that community I find some differences of opinion. There are those there who feel that adequate quarters might be had on a rental basis rather than on a construction basis. The question I am addressing to the chairman, therefore, is: If continuing study should develop that it would be better, in the interest of economy and in the interest of national defense, to rent rather than build in that community, is it the intent of the committee that that might be done?

Mr. MAHON. I shall take the liberty of directing a letter to the Secretary of

the Air Force requesting that he hold plans in abeyance on this construction until he has thoroughly explored the feasibility of renting facilities.

When we make these funds available it does not mean that officials have to spend them. If in the light of other circumstances and developments they can get along without this project in Fort Wayne or elsewhere we want them to do it. That is the policy of the committee. I think the gentleman is rendering a great public service in raising this issue.

Mr. ADAIR. I appreciate the statement of the chairman of the subcommittee very much, as I am sure we both want proper defense facilities. Yet at the same time to have the American taxpayer in mind.

Unanimous consent having been granted, I wish to insert at this point a portion of the committee report:

DEPARTMENT OF DEFENSE
INTERSERVICE ACTIVITIES

The budget estimate of \$2,250,000 for advances to the Bureau of Public Roads for access roads is approved. These funds are used for the construction of roads to military installations and defense plants upon certification by the Secretary of Defense under authority of the Defense Highway Act of 1941, as amended.

The bill includes the full amount of the budget estimate, \$4,200,000 for the construction of additional Loran stations by the Coast Guard. The contemplated program will extend to certain vital areas the present Loran system.

MILITARY CONSTRUCTION

Submission of budget estimates

The most important comment the committee can make with respect to this chapter in the accompanying bill is to call to the attention of the Congress the apparent disregard on the part of responsible officials of the executive branch of the statutory responsibilities of the Congress to fully evaluate and pass upon the fiscal requirements of the executive branch. Why this committee and the Congress should be obliged to consider during the closing days of each session of the Congress measures of this magnitude and importance is difficult to understand. A valid reason has not yet been advanced.

It was testified that the services originally requested of the Office of Secretary of Defense approximately 10,500 items, totaling nearly \$3 billion. While the number of items and requested appropriation were somewhat reduced by the Office of the Secretary of Defense, formulation of the final budget estimates, received July 1, did take approximately 1 year. The Congress, having a responsibility for the efficient and economical application of appropriated funds, was obliged to give only hurried consideration to the budget estimates because the new fiscal year had already begun.

The committee is in position to appreciate the mass of detail encompassed by the estimates for military public works, but must, nonetheless, insist that this program be submitted to the legislative committees during the month of January in order that time may be available for full consideration of the budget estimate. Mr. Franklin G. Floete, Assistant Secretary of Defense for Properties and Installations, has testified to the effect that insofar as his office is concerned, the program will be transmitted to the Congress early in January of each year.

Status of authorizations

The total amount of authorizations remaining unfunded as of June 30, 1955, is approximately \$2,057,000,000. Total author-

izations provided for in H. R. 6829, recently enacted by the Congress, is \$2,306,000,000, or a total authorization availability in fiscal year 1956 of \$4,363,000,000. It should be noted, however, that section 501 of H. R. 6829 provides for the repeal of certain prior authorizations as of July 1, 1956. The identifiable total that will be so repealed is \$811 million, although it may reach a much larger figure.

Committee recommendations

Against the total currently available authorization of \$4,363,000,000 the Department of Defense has programed for construction in fiscal year 1956 a total of \$2,630,055,000. Against this program a total adjusted appropriation of \$2,220,800,000 was requested, the difference being considered as unnecessary because of general fluidity in a program of this magnitude and because of normal and expected slippage generally accepted by the construction industry. The original budget estimate, transmitted to the Congress prior to the enactment of H. R. 6829, totaled \$2,273,550,000, of which \$900 million was to be derived by transfer from the appropriation "Procurement and production, Army."

The committee recommends a decrease in the program to a total of \$2,471,745,000. To implement this proposed program a total appropriation of \$1,879,491,000 is included in the bill, a reduction of \$394,059,000 in the budget estimates. Of the total recommended, the amount of \$483,612,000 is to be derived by transfer and \$1,395,879,000 represents new appropriations. It is fully recognized that so long as we have an Army, Navy, and Air Force we must have adequate facilities and bases to maintain and house these services, and the reduction effected in the appropriation request should not be interpreted as a reduction in the needed program. Action is predicated solely on the considered judgment of the committee as to money requirements based on its analysis of the program and the history of military construction funding.

The difference between the contemplated program and the appropriation recommended is \$592,254,000. The Department of Defense, however, should not consider the entire list of facilities included in the report as permanently approved, and it is expected that all projects in this or previous programs not specifically financed from available funds and for which financing is requested in the future, will again be presented in the detail program supporting future fund requests.

During fiscal year 1955 the amount of \$1,964,000,000 is estimated to be obligated out of a total availability of \$2,903,000,000, leaving an unobligated balance on June 30 of \$939 million. While a reasonable unobligated balance is necessary in this type program, 32 percent obviously is excessive.

The recommended appropriation of \$1,879,491,000, together with the unobligated balance, provides an availability for obligation in 1956 of \$2,818,491,000. This compares with a total availability of \$2,903,000,000 in fiscal year 1955. The elimination of specific projects in the amount of approximately \$150 million will, of course, reduce the total estimated obligations in 1956, which is reported in the amount of \$2,235,000,000 for all three services. Thus, even should the total obligations approach \$2,100,000,000, the remaining unobligated balance of something over \$700 million should enable the services to continue without interruption an orderly construction program into the first quarter of fiscal year 1957. While the fiscal situation is slightly different in each of the three services, it is believed that, generally, each service will be in position with the funds provided to pursue its program as initially planned.

Miscellaneous

Military considerations should be the paramount factor in decisions made by the De-

partment of Defense with respect to the location of facilities and defense spending generally. The committee has sought to reduce the land-acquisition program to a minimum. The Department now owns approximately 29,500,000 acres, representing a total investment, including facilities, of about \$21,400,000,000.

The committee is somewhat concerned over the growing centralization of military activities in the vicinity wherein Camp Carson and the Air Defense Command are now located and the new Air Force Academy is proposed. It is suggested, therefore, that a further study be made of this area with special reference to the water situation, bearing in mind the potential growth in population that the water and other resources will serve in the foreseeable future.

Considerable discussion was had during and subsequent to the hearings on the matter of single bedroom family housing. It is recommended that the programs of each of the services for this type construction be reviewed to insure that only those single-bedroom dwellings will be constructed as definitely meet the long-term demands of the services.

It is trusted that the existing understanding with the committee calling for the allocation of adequate funds required for the construction of a usable facility will continue. Disruption of the construction processes, no matter how short the duration, is costly and should be avoided.

DEPARTMENT OF THE ARMY

The Department of the Army has requested \$545,000,000 for the appropriation "Military Construction, Army," to be derived by transfer from the appropriation "Procurement and Production, Army." The committee recommends an appropriation of \$483,612,000, to be derived by transfer as proposed in the estimate, a reduction of \$61,388,000. This is the first time since fiscal year 1953 that the Army has requested funds for this appropriation due to large unobligated balances that were available and now have been reduced through reprogramming authorized by the Congress. In addition, request has been made for permission to reprogram \$15,091,000 of prior authorizations and the committee recommends that this authority be granted in the manner justified to the committee, as set out in the following table:

Aberdeen Proving Ground, Md.	\$150,000
Fort Dix, N. J.	1,972,000
Fort Bragg, N. C.	339,000
Fort Campbell, Ky.	4,180,000
U. S. Military Academy	8,450,000
Total	15,091,000

The item in the above tabulation for the United States Military Academy is to be specifically noted. In accordance with the committee's report last year a survey was made of the proposal to convert the riding hall to classroom spaces and authority is now given to proceed with this construction as originally planned out of funds previously authorized. Testimony indicates that the rise in construction costs have increased the current working estimate to \$9,950,000. In addition to approving the request to reprogram \$8,450,000 permission is granted to use additional available funds to cover the increase in costs totaling \$500,000.

The appropriation recommended, \$483,612,000, is to finance a program totaling \$553,880,000 as set forth in the following tabulation. Those projects that have been specifically denied are set out in the paragraphs following the tabulation. These amounts may be compared with a program request of \$566,533,000 and a funding request of \$545,000,000. The committee recognizes the need for latitude in a construction program of this magnitude, and feels that it has provided such latitude in approving an amount only \$70,268,000 below the estimated

cost of the recommended 1956 program. This amount takes into consideration a slippage of approximately 13 percent. It was testified a slippage of 10 to 15 percent is generally accepted as normal.

The committee feels that as the program is developed and as deletions are made due to slippage in programing or construction, first consideration should be given toward providing quarters and necessary operational facilities. If there are items which can or must be deferred they should be in other categories.

DEPARTMENT OF THE NAVY

The program

For the Navy military public works program, the committee had before it for consideration a tentative program request for 1956 totaling \$646,196,300, of which \$596,140,900 is new authorizations in the House version of H. R. 6829 and \$50,055,400 is previously approved but unfunded projects. Conference adjustments on H. R. 6829 had the effect of reducing the total to \$614,279,700 as shown in the table on page 15 of the printed hearings. The committee has approved for funding projects totaling \$606,479,700, a reduction of \$7,800,000, representing reduction in one item and deletion of two projects. These are commented upon below. The approved total includes \$61,937,700 for 3,650 family housing units.

The funding

The budget estimate for appropriation purposes to fund the 1956 program is \$528,550,000—somewhat less than the program presented for funding authority. The committee recommends appropriation of \$439,950,000, a reduction of \$88,600,000. The appropriation for 1955 was \$98 million under which, in combination with unobligated balances from prior years, the Department indicates estimated obligations in 1955 of \$248 million. Approximately \$122 million unobligated will carry over into 1956, most of which, however, is stated to be committed to previously approved projects.

Basically, the reasons advanced for not requesting appropriation to an amount equal to the total of the projects on which the Department seeks funding authority are unforeseeable delays on projects occasioned by land acquisition problems, timing of granting of base rights, etc. The total list of projects, however, is justified as urgent, and if delays occur on certain ones the Department can proceed on others and thus expedite consummation of the total long range construction requirements.

The reduction of \$88,600,000 is based on several things. One is the final adjustment in the conference on H. R. 6829 wherein several projects in the original budgeted program were dropped. Further, the committee has reduced or deleted three items as previously indicated. Still another reason—and this is the foremost—is the fact that to get this large program underway, the Department does not need as much as requested. The budget projects, as of the end of fiscal year 1956, an unobligated balance of about \$242 million. A substantial portion of that balance will be supported by detailed project plans and specifications and thus required to permit orderly flow of contract placement in the ensuing few months pending availability of 1957 funds to keep the program in motion. On the other hand, the evidence is clear that a sizable part will not be supported by detailed plans. Contracts cannot be advertised and construction obligations incurred without such plans.

The committee's action should in no way slow down the orderly prosecution of the approved program. The Department should proceed, within the amount allowed, to have detailed plans and specifications prepared and ready on all approved projects as originally planned. Funding requirements for

actual contractual purposes can be further determined in the 1957 bill.

DEPARTMENT OF THE AIR FORCE

The Department presented a program including several thousand individual projects at over 250 Air Force bases totaling \$1,449,242,000. The committee has deleted specific projects from this total in the amount of \$137,857,000. For appropriation in the new fiscal year the Department requested \$1,200,000,000, of which \$255,000,000 was to be derived by the transfer of unobligated funds available to the Army. The committee is recommending for direct appropriation \$955,929,000, a reduction of \$244,071,000 in the overall funding request. This amount for appropriation together with the balances carried into the new fiscal year should be sufficient to keep essential Air Force construction going throughout fiscal 1956 and provide adequate balances to keep the program going into fiscal 1957.

The difference between the amount programmed for specific projects and the amount to be appropriated is \$355,456,000. In other words this is the amount in the Air Force program for which funds are not provided. However, the projects which might have been covered by this amount are not identified, and no priority list has been established. A program as diversified as the Air Force program must of necessity have a certain amount of flexibility in order that full advantage may be taken of continually changing requirements. The committee is, accordingly, approving as eligible for construction air bases and facilities at the above stated cost in excess of the funds provided.

The committee is certain that many of the projects still remaining in the program should be given further study. It is expected that this will be done and that with the funds appropriated only those projects most vital to the Air Force program will be undertaken.

Mr. TABER. Mr. Chairman, I yield 13 minutes to the gentleman from Kansas [Mr. SCRIVNER].

(Mr. SCRIVNER asked and was given permission to revise and extend his remarks.)

Mr. SCRIVNER. Mr. Chairman, I dislike very much to find myself in some disagreement with our committee chairman, the genial gentleman from Missouri [Mr. CANNON], but I do not share his alarm as to the comparative situation between the United States and Russia. I do not concede that they are ahead of us in any way except perhaps in the number of jet planes. We are as smart as they, and a little smarter. They possibly have a greater number of jet fighter interceptors, that is logical, because the jet fighter is used to intercept bombers, and we have the largest number of bombers that can carry death and devastation to any corner of Russia today any time we want to give the signal. We not only have the machines, but also we have the trained pilots who are superior to any, and we proved our superiority in Korea by a ratio of 15 to 1.

Furthermore, we have the adequate bases, a circle of bases from which we can attack, if necessary. We have superior crews in every way, including navigation, and we have the years of experience in long-range bombing which they cannot possibly have and which they cannot now get.

So I am not going to lose any sleep at all tonight worrying about any state-

ment the gentleman has made. I am going ahead and plan my life with a full sense of security; I am going to urge my daughter to educate her son, my grandson and not worry for 1 single minute about reports of Russian superiority or threats to this country.

Much as we may dislike it, we have got to face the facts with which we have to live for the next 25 or 50 years. When we came out of World War I we thought we were in for perhaps a century of peace. We did not have it. We came out of World War II thinking perhaps we might have a quarter of a century or maybe half a century of peace. We do not have it. The Korean war is ended. With those three examples we should finally realize we must face facts which are simply these: We must expect for the next 25, 30, to 50 years we are to have a large military force. If we are to have that force—they are situated in widely scattered areas in all parts of the world—we must give them facilities with which to work. We have to give them adequate housing. As a matter of fact, there are quite a few million dollars in this bill for family housing for the military services—the Army, Navy, and Air Force.

In years past in connection with appropriations we have heard about "self-liquidating projects." We have seen few, if any, of them. This public housing—and this is a very, very big public housing program, make no mistake about that—this military public housing will be perhaps the nearest to a self-liquidating project of anything we have ever undertaken because we are required by law to furnish our military men with either housing or a rental allowance in lieu of military housing. So that the more military housing we have the less money we pay out for rental allowances which will then in turn pay for these projects we are now building. Not only that, but some of these bases are located at some far away and out-of-the-way places where there is no adequate housing for our men until we build them. Even giving them the best housing we can for the family, the duties they are going to undertake will be pretty strenuous and arduous no matter how good we make it.

I do not worry too much about some of the situations we are told about. Actually, however, I have visited some of these military bases here and abroad. I have seen some of the housing quarters in which some of our military people have been trying to live with their families. I am quite frank in telling you if someone told me that I had to serve at a certain place and live in certain quarters which I have seen them live in, I would find it difficult to refrain from resigning.

So this is not just doing something out of the goodness of our hearts. We are doing it for the good of the service and to fill a very necessary need.

We have been told by the gentleman from Texas that we are building up to the 137-wing base. That is quite true. For every new squadron, for every new wing, we must have adequate bases.

You can put it down just as simply as that. And according to the mission, every new base is going to cost from 15 to 150 million dollars and in connection with some of the bases it is going to cost you considerably more than that. You cannot operate 137 wings without bases. You have to have everything that goes with a base—you have to have, among other items, runways, taxiways, hangars, shops, administration and operations buildings, fuel systems. All of those things cost money. As we look at this bill, it is merely a defense public works bill. The big military part has already gone through. Anyone can see that our national defense is costly. It takes men, it takes machines, it takes money, not mere millions but billions of dollars—thousands of millions of dollars, which all comes out of the taxpayers' pockets. The job we have to do, working with the military, is to see that we get a dollar's worth of defense for every defense dollar we spend.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Texas.

Mr. MAHON. Since the gentleman has referred to the cost of the Department of Defense, I think it would be well to place in the RECORD at this point the complete figures. We appropriated for the Army, Navy, and Air Force—the Department of Defense—\$31.8 billion. In this bill there are appropriations of \$1.8 billion for military public works, which would make \$33.6 billion for the Department of Defense for the current fiscal year.

Mr. SCRIVNER. I thank the gentleman for making that observation.

What this public works bill is doing in part is to build up our bases for this long pull, whether it is 10, 20, 30, 75, or 100 years.

The buildings we are now seeking to construct for the main part are what we term permanent buildings. We found that our investment in semipermanent types of buildings and barracks just did not pay off. They were comparatively low cost in the first place, but in the long run they were not cheap. They are now becoming dilapidated. Their maintenance is expensive. But, we just must face the realization that without bases our Navy and the Air Force and the Army cannot operate. We must have them.

It is a big bill, yes, but we should expect, as soon as the 137-wing base structure is completed, that there will be a gradual tapering off of requests for new construction, of public works money. Maybe from 3 to 5 years should see the tapering. We have bases some of which probably existed for 100 years. All of the buildings are not that old, but I can show you military buildings that are 100 years old. And we have to go through our old established bases and begin reconstructing some of our worn out, dilapidated structures to carry on in the future if we are to do the job that we feel we are called upon to do. It is a big bill. It has got to be paid. It must be faced. We must face the fact that we are going to be presented with similar

requests to this for some time to come. Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Iowa.

Mr. GROSS. Why is it that the Defense Department does not use permanent installations such as the one we have in Iowa constructed during the war and has not been utilized since?

Mr. SCRIVNER. I do not recall at the moment what permanent base the gentleman is referring to.

Mr. GROSS. The Navy base at Ottumwa, Iowa.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman has called attention to the need for additional bases because of the extension and expansion of the Air Force, and perhaps in line with what the gentleman from Iowa has alluded to. I am wondering whether the committee in its hearings has discussed the question of the number of bases that were closed after World War II. I have in mind, for example, the one at Herington, Kans., which was quite an important base.

Mr. SCRIVNER. Not only this year but in years past we have discussed many of those bases in detail. The one the gentleman is referring to was a training base, if I am not mistaken.

Mr. REES of Kansas. That is correct.

Mr. SCRIVNER. There were many bases which were used for training in World War II which are not usable now. If they were to be used, you would have to practically start from scratch because the type of planes that our fliers are training in now cannot take off and land on those fields today.

Mr. REES of Kansas. I appreciate the gentleman's statement, but still I have the feeling that there is a tendency on the part of those in the Air Force to sort of overlook some of these bases that we have.

Mr. SCRIVNER. If you will read the hearings, you will see that the request made by the Air Force for land is very, very, very small. As far as I can recall now, the only new land we are buying is where it is absolutely necessary for the extension of runways, because with our B-47's and B-52's you have to have 10,000- to 12,000-foot runways, and many of our bases during World War II were established with 6,000-, 7,000-, and 8,000-foot runways. That was all right for the planes that we had then, but the planes you have now just cannot operate on those short runways.

Mr. REES of Kansas. I appreciate the gentleman's statement.

Mr. SCRIVNER. If the Air Force were to come up and say "We want to go out and buy a block of ground right here someplace for a new base," they would not get very far, because we would point out just what the gentleman from Kansas and the gentleman from Iowa have pointed out and say, "You have some bases; you have land that you own, that you bought in World War II. Use that. Do not ask us to buy more land." Of course, our Air Force activities were

larger then than they are now. Our Navy activities were larger in World War II than they are now. Our Army was far larger in World War II than now. While we are still large, we are not as large as in World War II, and as a result we do not need as many bases as we did then. Perhaps some day we will need them. Who knows? Maybe we will continue to expand. We may have to go back to the bases in Kansas and other States of the Union and make use of them, as well as those we are presently using. But that does not seem probable in the foreseeable future.

Mr. REES of Kansas. If the gentleman will permit, I am making the inquiry and the observation largely on the basis of what the gentleman has said, that we are going to have expansion and extension in respect to planes and bases.

Mr. SCRIVNER. We have the 137-wing base structure pretty well under way right now.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from California (Mr. SHEPPARD), vice chairman of the Subcommittee on Armed Services.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Tennessee.

Mr. BAKER. Will the vice chairman of the committee inform me as to whether or not there is any money in this bill for the construction of hospitals abroad, outside continental United States?

Mr. SHEPPARD. Is the gentleman referring to the Navy portion of the bill, or the whole bill?

Mr. BAKER. Any place in the bill. Mr. SHEPPARD. I should like to refer that question to my chairman, the gentleman from Texas (Mr. MAHON), as to how many hospitals there are outside continental United States in the bill. I do not have the answer at hand.

Mr. MAHON. I will say to the gentleman that the budget request originally contained about 10,000 line items, such as hospitals, dormitories, quarters, and what not. Those were for the authorization bill. There are some hospitals outside of continental United States to be sure. There are hospitals in north Africa where we have many men. There are hospitals available to our Armed Forces in all important areas. Upon checking our records, I find that there are no new hospitals in this bill for overseas areas. These have been provided in past appropriations and undoubtedly there will be some future requests. This bill specifically provides for a few infirmaries and dispensaries. These are, of course, set up to care for patients on a temporary basis at each major facility until the patients can be transferred to a regular hospital.

Mr. BAKER. Mr. Chairman, will the gentleman yield further?

Mr. SHEPPARD. I yield, certainly.

Mr. BAKER. Are there funds in this bill for hospital purposes outside the United States?

Mr. MAHON. I think so, but I would have to take a little time to list the loca-

tions, and I shall undertake to supply the information.

Mr. BAKER. I thank the gentleman. Mr. SHEPPARD. Mr. Chairman, I should like at this time to address myself strictly and specifically to the presentations of the Navy. I was, of course, privileged to sit in on the policy evidence that was submitted by the Secretary of Defense and the respective Secretaries and their comptrollers.

I want to pay my compliments to my colleagues on my committee, Messrs. Norrell, Andrews, Wigglesworth, and Ostertag, also Mr. Wilson, of our staff, for the manner in which we were able to handle the problem in a short period of time and do the very best we could under the circumstances that prevailed.

In order that the House may have my views pertinent to the Navy aspect, I will present to you these facts:

As in the case of the Army and Air Force, the Navy presented for approval a group of projects totaling more than the request for actual appropriation. Within the time available, the committee has reviewed the total list of projects presented and with exception of those I will mention in a moment, has given the Navy the go-ahead on them. The report contains the actual list by location. Several hundred separate line-item projects are involved.

The program is presented on this lag or slippage basis, if I may use that terminology, because experience shows they always have difficulties and delays in getting base rights, land acquisition, and other unpredictable delays or changes of one kind or another.

The program presented to the committee totaled \$646,196,300 but the actual request for appropriation is \$528,550,000. The presentation was made on the basis of the House version of the authorization bill and now that the conference has resolved the differences on that bill, we have had to make some deletions from and additions to the original program. We have also disallowed 2 projects and reduced 1 other. Then, on top of that, we examined into the status of the projected unobligated carryover, particularly as to availability of detailed plans and specifications without which they cannot advertise and award contracts. We found that we could withhold some funds on account of this factor.

All told, we have reduced the program from \$646,196,300 to \$606,479,700, which is a cut of \$39,716,600. As to the appropriation request, we have cut it from \$528,550,000 to \$439,950,000, a cut of \$88,600,000. I think under all the circumstances we have cut about as much of their money as we should. The money cut is about 17 percent.

Now to recap the situation, and give you the specifics on the projects deleted, let me give you these figures:

The Navy originally presented projects for our approval totaling \$646,196,300.

There were several projects which the conferees on the authorization bill dropped out and a couple which they added, so we took them into account. A list of them appears on page 15 of the

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Navy hearings. They make a net reduction of \$31,916,600.

That left a total revised amount of \$614,279,700.

Then the committee cut out two projects and reduced another, totaling for all three, \$7,800,000, which we took out.

That leaves the total which is approved for funding listed in the report and it totals \$606,479,700.

The three projects we deleted or reduced are:

First. We took \$2 million off the \$6 million request for replacement of facilities destroyed or damaged by fire, hurricane, and so forth. That gives them the same as they had last year.

Second. We took out the \$2 million put in by the other body for plans for a new drydock at the Puget Sound shipyard to handle Forrestal carriers that may have been battle damage. It was not budgeted, and we had no hearings on it, so we did not feel we could include it at this time.

Third. Then we deleted the item of \$3,800,000 for a new building at the naval ordnance plant at Macon, Ga., for manufacturing inert ammunition parts. With the administration's present policy prevailing having to do with getting the Government out of competitive business, it seemed to your committee rather doubtful whether we should go ahead at this time and expend \$3,800,000 for a new building and a business that would keep the Navy in a fabricating category wherein the field has a lot of competition from private business.

There is a difference of opinion about this issue. In fact, there was a difference of opinion within our committee, and an amendment was offered to correct that situation. However, the committee as a whole sustained your Subcommittee on Naval Appropriations in keeping the deletion in the bill.

Mr. Chairman, in general, and rather briefly, that covers the actions that have been taken by the subcommittee handling appropriations for the Navy. I have been associated with this committee and with this work, as you Members know, for a good many years and so have my colleagues, the gentleman from Massachusetts [Mr. WIGGLESWORTH], and others of my able associates. We feel that so far as the Navy is concerned, we have done the best job we could on the basis of the evidence they presented and considering the availability of the properties of the Navy, which the Navy is presently using and which it is contemplating using. Whether or not in the final analysis what we are recommending will be ultimately accepted by the House, of course, remains to be seen. I assure each and every one of you that in this instance as in every other instance, I am perfectly willing to submit to the will of the House as to the final conclusion.

Mr. Chairman, I yield back the remainder of my time.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, as a member of the Committee on Appropriations' defense subcommittee and more particularly on the Navy panel, I want to

pay tribute first of all to our distinguished chairman, the gentleman from California [Mr. SHEPPARD], for his able and considered guidance of the work of our subcommittee, and also pay tribute to my colleague, the gentleman from Massachusetts [Mr. WIGGLESWORTH], who is the ranking minority member of our subcommittee. Both of these gentlemen have been courteous and fair and I am grateful to them for their many considerations and kindnesses. The gentleman from California [Mr. SHEPPARD] has ably described the general changes and adjustments that have been made in this particular phase of the military construction appropriation bill. I might point out that in the Navy's presentation to us, there were some 632 projects involved. It was pointed out that the Navy plant, the construction plant, the property itself, is valued at some \$7 billion. And, too, it has been pointed out that it will take approximately \$12.5 billion more to bring the Navy's establishment up to modern standards and requirements. I think it might be well for us to pause a moment to reflect the changes in the overall picture so far as our Military Establishment is concerned. With the Navy being called upon to meet tremendous responsibilities worldwide, and with the increased importance of naval aviation in our defense picture, it is reasonable to understand why we must begin to move toward modernizing the facilities that are so essential to our security and to our defense. Another point I would like to make, which perhaps might be overlooked in a general discussion, is that the Navy has within the military construction appropriation bill some \$15 million allocated for the purpose of pollution abatement within the continental United States.

I am not sure at this point whether all of the other services have followed the directive of the Executive order calling for plans, programs, and steps to eliminate pollution caused by our Military Establishment, but the Navy has in this instance provided some \$15 million to eliminate pollution in the waters and streams of the United States of America.

These particular projects and this \$15 million does not complete the job, but it is a logical step forward, and I hope that all of the services and the Defense Department will move in unison in this task, which is so essential to the preservation of our water resources and to public health. To my mind it does not make much sense for the Navy to spend millions of dollars to eliminate waste and pollution and treat sewage with the Army and the Air Force right alongside of that very facility dumping waste and sewage into the same waters and streams.

Mr. Chairman, there is much that might be said about the many projects that are approved and incorporated in this bill. Among them, of course, are the facilities for the shipyards, for the fleet bases, aviation facilities, fleet support air stations, Marine Corps air stations, and many facilities overseas, including places such as Hawaii, Okinawa, the Philippines, French Morocco, Alaska, Guam, Japan, Newfoundland,

Italy, and other points of vital importance to our defense.

As has been previously pointed out, the committee approves and recommends a total of \$439,950,000 in new money, which is a reduction of \$88,600,000 over the budget estimate for funding during fiscal 1956. Bear in mind that \$122 million in unobligated funds will carry over into this fiscal year but it is understood that these moneys are committed to projects previously approved.

In the Navy, as in all other services in our Defense Establishment, a general fluidity in the program applies because of slippage and other construction factors.

The CHAIRMAN. The time of the gentleman from New York [Mr. OSTERTAG] has expired.

(Mr. OSTERTAG asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. DAVIS].

(Mr. DAVIS of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Chairman, I find myself in general agreement with the statements which have been previously made in connection with the military construction program we have before us today, and it is entirely to that program that I wish to devote my allotted time.

The chairman of the subcommittee, the gentleman from Texas [Mr. MAHON], mentioned the difficulties under which we were required to work in conducting the hearings on the military-construction program. That certainly was true. It seems that in this program, as long as I have known it, we have always been required to labor under extreme difficulties in trying to bring to the floor of this House an appropriation bill for military construction. The major responsibility for that, of course, must lie with the executive department, because the representatives of the Department of Defense have failed to bring legislation before this Congress in a timely fashion. I know that the Committee on Armed Services has gone out of its way to bring authorizing legislation to the floor of this House promptly after it has been submitted to it. There ought to be a reasonable lapse of time after the authorizing legislation has been before the Congress, so that the staff of the Committee on Appropriations could go through the justifications of the things that have been authorized, so that the committee would be prepared to conduct hearings in an orderly and informative manner after that legislation has been passed. In my experience that has never been the case.

I can recall that back in 1951, which was the first year I served on the subcommittee that handled this appropriation, we were called back here in September, and a huge stack of justifications was submitted to us; because at that time we feared, with no little justification, that the war going on in Korea might well be the beginning of world war III. So we attempted to get some grasp

of what was submitted to us, and finally, because the executive department itself had not formulated a program for the expansion of the physical facilities of the Armed Forces commensurate with what we thought might be ahead as a result of Korea, we finally had to end up with a lump sum without any pinpointing of the appropriation whatsoever.

In 1952, it was substantially the same story over again. Shortly before the Congress had made up its mind to adjourn, huge stacks of justifications to the extent of \$1,800,000,000 were submitted to the committee. Members of the committee, after some consideration of what they might possibly do, finally ended up again with a lump sum appropriation of about \$1,200,000,000.

We did a little better in 1952 than in 1951. At that time there was set up a grid of so much for each command, and so much for each purpose, broad categories such as pavements and utilities within the amounts allotted by those commands, and that grid plan was put into operation for funding Air Force construction, being known generally as "the Davis grid." During that year, 1952, the executive branch and the Congress were both pretty much at sea as to what was going on in the field of military construction. The Riley subcommittee was established and an attempt was made to go into the standardizing of facilities and the charges of waste and inefficiency in this program that were reported to the committee, including the much-publicized situation in French Morocco. I think the work of that subcommittee still stands as an example of judicious, conscientious investigation into this kind of program, and I think this entire Congress is indebted to the gentleman from South Carolina for the work which he accomplished in that session.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. MAHON. I want to concur in the gentleman's statement in regard to the work of this subcommittee upon which the gentleman from Wisconsin served so effectively.

Does not the gentleman think that the sort of job that was done there has paid dividends and been helpful to us with respect to further developments in military public works?

And does not the gentleman think that the public works program as it has progressed through the years since Korea has gradually improved and is improved now over last year and the year before?

Mr. DAVIS of Wisconsin. I am sure that is the case, and I think we can trace the standardization of facilities both in terms of physical structures and the costing structures in the Military Establishment to the work which was done by that subcommittee in 1952.

It was not until the late autumn of the year 1952 that the executive department finally began to attempt to get these things under overall control. We had the three branches of the service running off in three different directions with different criteria of construction and no attempt to standardize the structures or

costing. Late in 1952 Frank Creedon was appointed as a Director of Installations within the Department of Defense, by the Secretary of Defense, in an attempt to coordinate the military public-works program. There was a conscientious man. He did as much as he was permitted to do under the circumstances. The trouble is that he was not given the authority to do the job that needed to be done.

Then came 1953, and in that year there was an overall revision that took place, because Defense Department officials were attempting to get their feet on the ground with respect not just to installations but to the whole operational concepts of the armed services; and in that year our subcommittee attempted to pinpoint each particular line item, and there was a grant of funds to construct each of the approved line items. The difficulty was that the Armed Forces simply were not equipped in terms of organization and manpower to proceed in an orderly fashion on the size of the construction program that was contemplated. So there were slips and lapses here and there. Therefore, we went into the 1955 fiscal year with huge unobligated balances.

Last year we adopted a new system. We tried to work out something that represented a workable compromise between the years of 1951 and 1952 when we had to literally give them a lump sum and say: "You put it wherever you think it will do the most good," and what we attempted to do in 1953, the pinpointing of a certain amount of money for every single line item. That was the dual system that was put into effect by the subcommittee last year of setting up a program and saying: This is the program upon which you can build, but we know you are not going to be able to build all of those things. You are going to have trouble acquiring land here, you are going to have difficulty with architecture there, difficulty with planning somewhere else and difficulty with letting contracts; so we will appropriate a lesser amount and let you use that money across the broad field of the specific items of the program we have approved.

That permitted them a flexibility which proved, in my opinion, to be very effective. At the time of the hearings this year it was clear that this huge unobligated balance had disappeared in all three branches of the service. It is true there is what may appear to be a large amount of money carried over unobligated into this 1956 fiscal year, but in any construction program of this kind and of the magnitude that it involves, there has to be, in my opinion, an obligated carryover in the neighborhood of about 20 percent in order that the pipelines will be filled for the first quarter of the new fiscal year before the new money becomes available. That has been accomplished substantially as of this date and I would say under the flexible program which this subcommittee instituted last year, we are in pretty good shape as far as the unobligated balances of this program are concerned.

The executive branch apparently thought it was a good idea too, because

the program that was submitted to the committee this year was geared to that basis: a program on the one hand and a smaller amount of requested money on the other that could be obligated across the field of the approved program of construction items.

Our programs for military construction in past years, at least in recent years, have been characterized by a couple of things that I think should be called to your attention, primarily because they do not apply to the program that we have before us now. One of them was what we used to call an austerity program. We were dealing with the bare essentials, we were doing things plainly, without frills, at what we thought was a minimum reasonable cost.

The second characteristic of that program as we knew it then was that we were going to get it done in about the 1957 fiscal year. We anticipated that requests for appropriations would taper off in the next fiscal year after this one.

Neither of those things is applicable to the program we have before us. It is not proper to call this an austerity program because instead of dealing mainly in operational requirements without frills, this program, for the first time, is geared to a number of frills. In other words, there is emphasis on welfare activities, service activities, and recreational activities, and that is completely consistent with what apparently is the prevailing view and part of the prevailing program to make life pleasant enough in the armed services so that enlistment rates will remain high and we will not need to resort to selective service to such a large extent.

The second thing is that we forgot any thought of tapering off in the 1957 fiscal year. I suppose the program submitted to you next year will be just as large as the one we have before us this year, and I will be surprised if the one that is submitted for fiscal 1958 is much smaller than the one we now have before us. I do not know when we can reasonably anticipate a tapering off of the requests for military construction.

The only major criticism that I would have with respect to the bill as it is now reported would be a failure to pinpoint the limitations on the overall program. I think the money that is involved—and I suppose that is a major consideration—is completely consistent with my own personal point of view. But, I do feel that we have failed to pinpoint limitations on the overall program, and, of course, where the commitments are made. When you commit yourself to the building of a program, it does not make too much difference whether you are going to put the money in this year or next year it is going to cost just as much, and if the cost of construction continues to go up, it will cost more, perhaps, if the money is put in a subsequent year. But there again I cannot place any immediate responsibility on the part of the members of the committee. It is part of the failure of the executive branch to submit this program to the Congress in a timely fashion. We have been promised improvement on that score in the next year by Assistant Secretary of De-

fense Floete, because I think we on the committee owe a responsibility to the Congress and the people of doing a better job than it has been physically possible for us to do in presenting this year's program.

So, with those weaknesses, which are not important weakness on the part of anyone in this room, or for which they must accept major responsibility, I support the bill as it stands before us, and I hope the majority of this House will do likewise.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I just want to say that this House and the Congress and the country are indebted to the gentleman from Wisconsin who just addressed the House and the group to which he belongs for the splendid service rendered this country in dealing with this most intricate problem.

Mr. DAVIS of Wisconsin. I thank the gentleman.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I concur in the remarks made by the gentleman from Wisconsin about the gentleman from South Carolina [Mr. RILEY], but I believe he has been unduly modest, because the gentleman from Wisconsin labored with the gentleman from South Carolina on that committee and helped bring about that possible result.

Mr. DAVIS of Wisconsin. I thank the gentleman.

I suppose it might be proper for me to add here, if the gentleman from South Carolina who has just risen will bear with me, I think I took more than the normal amount of disappointment when the subcommittee organization for handling this program was changed in this 84th Congress, because I felt there was an unusual affection and understanding and conscientious cooperation that existed among the members of the subcommittee that handled this program during the 83d Congress, and that certainly includes a man who devoted all his working hours to furnishing the members of the subcommittee with the information they needed to attempt to do an intelligent job with respect to this program, and, of course, I refer to Frank Sanders, who served as the executive clerk of this subcommittee during the 83d Congress.

Mr. RILEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from South Carolina.

Mr. RILEY. I wish to concur in the remarks made by the gentleman from Kansas in regard to the splendid contribution of the gentleman from Wisconsin. I wish to express my appreciation to the gentleman from Wisconsin for the very extravagant remarks he has made about me. The study referred to was a cooperative movement on the part of the Committee on Appropriations in order to bring about a more realistic and a more practical program in the

construction of military bases. This committee was originally set up by the distinguished gentleman from Missouri [Mr. CANNON] in an effort to coordinate the military construction program and work out a useful and at the same time an economical construction program in the services. Through the efforts of the staff and the members of the committee, with the exception of the gentleman who is speaking, they did work out a program and spotlighted it to the Army, Navy and Air Force. I think the program has progressed and is still progressing. I think it has become more realistic and more practical and I believe will continue in that direction as a result of the study made by this committee and the spotlighting of the weaknesses and the recognition on the part of the military defense forces of the suggestions of this subcommittee.

I appreciate the gentleman from Wisconsin bringing this matter to the attention of the House, and I am sure the House appreciates the very fine service that he has given. He has given unstintingly of his time and efforts and talents to bring success to this program. It has been a bipartisan movement.

Mr. DAVIS of Wisconsin. Mr. Chairman, I simply want to say when these remarks are submitted to me for revision, I intend to take the liberty of striking out the exception which the gentleman made with respect to himself.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. HULL].

(Mr. HULL asked and was given permission to extend his remarks at this point in the Record).

Mr. HULL. Mr. Chairman, this college, the Command and General Staff College, at Ft. Leavenworth, Kans., is the senior tactical school of the United States Army and the only Army school of combined arms. Upon the proper accomplishment of its mission depends the successful tactical implementation of our war plan. It is an extremely critical component of our national defense.

The course of instruction at this college is being conducted in three buildings which were originally constructed and used respectively as a stable, riding hall, and World War II temporary gymnasium. They are inadequate for the accomplishment of the mission of the college and have been uneconomical to maintain since they were converted to college classroom space and are becoming progressively more expensive to keep in a serviceable condition. They do not measure up to the facilities provided for similar level colleges operated by the other services and are not in keeping with the dignity of this college and United States world leadership in the eyes of the many foreign dignitaries who visit here each year and of the select allied officers in the student body—85 from 42 allied countries this year.

Further, the Department of the Army program planning is aimed toward an increase of over 25 percent in the student load of selected Regular Army, National Guard, and Reserve officers by September 1957, the date planned for the opening of this building.

Throughout the years many of our greatest military leaders have studied at this institution and I know of by own personal knowledge that this new facility is a necessity. Furthermore, to deny this much-needed academic building is to detract from the dignity and prestige of our country.

Mr. CANNON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, in looking through the report of the subcommittee I note, on page 11, at the bottom of the page, the committee reports that they eliminated \$12,650,000 to provide for the design and construction of a hull of a new atomic-powered merchant ship. And, on page 51, at the bottom of the page of the report, it says:

The merchant ship *Reactor*, for which \$21 million was programmed, has not been authorized, and the funds have been disallowed.

I want to compliment the committee on this particular action. As a member of the Joint Committee on Atomic Energy since its inception, I believe that I can state, without exaggeration, that I am one of those on the committee who wants to see an atomic reactor of a type that would be available for a surface ship developed just as quickly as it can be developed. In fact, we put into the authorization bill for construction several items along this line, one of which for \$25 million was to be used for research and development in reactors, which I regret to say has been eliminated by the committee. But I shall speak at some length on that at a different time.

But in regard to the \$21 million reactor fund that was disallowed for a merchant ship, the committee followed the general thinking of the majority of the members of the Joint Committee on Atomic Energy. There are several reasons why we were against that \$21 million item. The main reason was that an attempt at this time to build a *Nautilus*-type reactor which would have been merely an enlargement of the reactor which is used in the submarine *Nautilus* would have been very expensive. It would have involved, for the ship, the hull, and the reactor, anywhere from \$34 million to \$47 million. It would have produced a ship which had an obsolete atomic reactor in it. It could not have carried a pound more of cargo. It would have cost, according to our estimates, approximately 10 times as much to run it as an ordinary merchant ship. In other words, for a quarter of the cost and for a tenth of the operating cost you can have a merchant ship that will do all the functions which this ship would perform.

In the authorization legislation from the Atomic Energy Commission there was a \$50 million item for the development of what we commonly call a carrier-type ship reactor. This carrier-type reactor would not be a single reactor, it would be created in multiples of 2, 4, 6, 8, something on that line. When those

reactors are developed any one of more of those reactors can be placed in a merchant ship and used for ship propulsion, so, in effect, that type of research and development work is going on. It will go on under Admiral Rickover, who is the best man I know of to get the job done, with the limited number of physicists, scientists, and engineers who are capable of doing that high-class work. I am sure under the program already authorized this work of building a reactor which is appropriate for a merchant marine ship will be done. Therefore, I compliment the committee on recognizing these facts and deleting these amounts from the appropriation bill.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HAYS of Ohio. There are a great number of merchant ships moored up and down the Hudson and in other harbors that are available in case of necessity. As I understand, if this reactor is developed, it will be of a type that can perhaps be placed in those ships to make them fast and usable and bring them up to date.

Mr. HOLIFIELD. I think there is a possibility of that being done, all right, although the hull that may be needed may be of a special type.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I shall not belabor the committee by going into the various phases of our military program and the system of handling the military programs in our appropriation and legislative process. The hearings clearly point this out.

I have served on the Armed Services Appropriations Committee, being back on it this year after being off for a number of years. You could not be on a committee where the members are more able or one where they work harder or where it is more of a pleasure to serve with them. My complaints have been directed toward the expansion of permanent real estate bases and on the size of the whole military operations continuing at present levels for 20 or 30 years. I have also raised the question if perhaps by appropriating the full amount of money that completed contracts might cost in advance, we were not inviting the actual expenditure of those funds. In our efforts to restrict or to contain the public works expansion of the military, I wonder if sometimes we have not followed a program which tends to make the Armed Services Committee and the Appropriations Committee really the Public Works Committee. It is to them that chambers of commerce, cities and towns look for spending military money by locating military establishments there. I say that without any criticisms of any individuals involved, but it has come to our attention in these hearings in several instances where selections were made, expenditures were made, where certain military considerations and costs to the Government seem to be

laid aside for pressure of various kinds.

I hope we can go into these matters more fully next year and get some correction.

For one I have tried to point out the reasons in the hearings and have urged investigations to substantiate the case I believe the hearings have made.

We have succeeded in our efforts to get these matters investigated. I am pleased to state at the present time we have in the Committee on Appropriations investigations either cleared or going on at the moment on procurement, public works and on many, many other activities of the Department of National Defense. This information will be made available to the committee next year, and at that time we will be able to sustain many of things, I think, which we see should be corrected.

Mr. Chairman, my prime purpose in taking this time is to put into the Record and to bring to your attention actions of the appropriations' subcommittee for agriculture. I know it has been noised abroad in the last day or two that the Committee on Appropriations had put various legislative provisions in the appropriation bill. There are several of those in the agricultural subcommittee's part of this bill. In every instance, these are at the request of President Eisenhower in connection with aid to the low-income farmer. I have been serving on this appropriations' subcommittee for some 10 years, for 5 years I have been chairman of it. During that period of time I have never written legislation in that bill nor has our subcommittee, where we did not first go to the leaders of legislative committee on agriculture and asked if they did not wish us to do it. This is no exception. I went to the gentleman from North Carolina [Mr. COOLEY] and to the gentleman of Texas [Mr. POAGE] pointing out that this was the last appropriation and that the President had asked for certain relatively minor and small amounts of money to carry out his program, and asked if they did not think it wise to put it in this bill. The said it would be O. K. to go ahead; then the amounts were put into this bill. The only exception to that is we have in the bill provided a grade 17 for a salesmanager of the Commodity Credit Corporation. That is a \$7 billion corporation. It has had no sales policy and no sales manager.

In our recent report on our regular appropriation bill, we pointed out those facts and I am pleased to note that subsequent to that the Department of Agriculture has appointed a sales manager for the Commodity Credit Corporation. He was appointed July 1. In other words, while that item appears in the bill, it is only a question of whether you pay him at the same rate as others in the Department who do similar work. We do not have to pass any authorization for the creation of the position. The right, already existed with the Department. We just found fault because they did not see fit to exercise it. Personally, I do not know whether objections will be made to the items in this bill or not. Personally, I cannot see that the items we have in our bill are going to in any

way cure the present ills that face the low-income farmers. I do feel, and our committee felt, and we so expressed ourselves in our report that the farm situation is bad enough; and we felt we should give the President and the administration these requested funds to try to relieve the situation. Again, may I say I cleared that with the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POAGE]. We acted after they said the thing to do was to go ahead, and if subsequently any change was made in attitude, we could raise it when it reached the floor of the House. If the items go out, I do not think we will have lost a great deal. But, I will say to the committee that your subcommittee on agricultural appropriations have put these items in the bill because, certainly, we want to be in a position of supporting the President in his efforts to relieve this low-income farm situation. I cannot help but say, however, in our report we also pointed out that the suggested course of the administration was missing the boat and would not relieve the situation which they attempt to relieve.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN] has stated the position exactly as it exists. We have placed these items in the bill at the request of the administration and both the gentleman from Mississippi [Mr. WHITTEN] and I hope that in spite of the fact that points of order would lie against them, that they will remain in the bill.

Mr. WHITTEN. I thank the gentleman. May I say there has been one exception insofar as legislation we have had in this bill in former years is concerned.

One exception where we have asked for a rule was at the request of the legislative committee on agriculture. Two or three years ago the committee had failed to pass a new authorization bill for the ACP program, and at their request we included funds and asked for a rule. Except for that, may I again say the legislative provisions have always been cleared with the leaders of that committee. The ones we have today are at the request of the President. I do not think it will do a great deal, but I am willing for him to have his chance to bring about some relief for the low-income farmers.

I have asked permission to revise and extend my remarks, and I will include a copy of our report and such other information which we have, which more clearly shows this picture.

DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT PROGRAM

On April 26, 1955, the President submitted to Congress a message calling attention to the need for further assistance to the more than 1,500,000 American farm families which now have an income of less than \$1,000 per year. In the words of the President:

"In this wealthiest Nation where per capita income is the highest in the world, more than one-fourth of the families that live

on the farms still have cash income of less than \$1,000 a year. They neither share fully in our economic and social progress; nor contribute as much as they would like and can contribute to the Nation's production of goods and services."

In an effort to meet this problem, the Bureau of the Budget on May 26, 1955, submitted to the Congress supplemental budget estimates (H. Doc. No. 171) to enlarge the programs of the Department of Agriculture in the following amounts:

<i>Direct appropriations</i>	
Agricultural Research Service-----	\$380,000
Extension Service-----	1,285,000
Soil Conservation Service-----	150,000
Agricultural Marketing Service....	250,000
Farmers' Home Administration....	850,000
Office of General Counsel-----	36,000
Office of Secretary-----	19,000
Office of Information-----	30,000
	3,000,000
<i>Loan authorizations</i>	
Farmers' Home Administration:	
Production and subsistence	
loans -----	15,000,000
Small-farm development	
loans -----	15,000,000
	30,000,000

The program for which these funds are requested, as outlined to the committee by the Under Secretary of Agriculture, proposes to find solutions to the problems of these farmers through improving production and marketing practices, by shifting from full-time to part-time farming, by encouraging off-farm employment wherever possible, and by appealing to local States and communities to help at the local level. The additional funds provide for increased research, extension, and soil-conservation work by the Department and an expansion of the loan program of the Farmers' Home Administration.

With some misgivings, the committee is approving the full amount requested, since the serious plight of the farmers throughout the country is such as to require the encouragement of every action which may help, even if only in a small way. The committee believes that the Department of Agriculture, State, and local agencies, and the people themselves should be given every opportunity to foster and promote those measures which the Secretary feels will contribute to solving the unfortunate plight of these 1,500,000 low-income farmers. According to the Department's own survey, 130,000 additional low-income farmers were added by cotton-acreage reductions this year and 58,000 farmers were forced off of farms entirely by such action. The committee is going along with the President's proposal in the hope that it will enable him and the Secretary of Agriculture to recognize that reductions in the level of price support, without proper provision for meeting increased farm costs, and reduced acreage made necessary by failure of the Department to sell in world markets at competitive prices, are the factors which are creating the very conditions which they hope to correct.

At the same time, the majority of the members of the committee do not consider the Secretary's proposal as a real farm program, nor do they feel that it reaches the basic causes of the problem. They are of the opinion that it can in no way substitute for a farm program which would meet present rising costs, decreased volume, and reduced prices; and they are certain that it will not provide sufficiently adequate income to the farmer, in the immediate future, to enable him to stay on the farm.

While the committee recognizes that off-farm employment has been helpful to rural families in maintaining a reasonable stand-

ard of living in some areas, the majority of its members have little confidence in a program designed to encourage them to look to city employment in preference to considering agriculture as a worthwhile occupation and a wholesome way of life. They can see some real dangers to the American way of life if the present trend away from the farm is allowed to continue and actually encouraged by the Secretary. Further, since the present problem in many areas of the country is one of creating additional employment for people now living in the cities and towns, they cannot accept this feature of the administration's proposal as a long-range solution to agricultural problems.

Mr. Morse, Under Secretary of Agriculture, speaking for the Department, told the committee that the increased costs incident to the President's requested increase in minimum wages for labor would not appreciably hurt the low-income farmers. Mr. Morse further stated that reducing price supports had not and would not appreciably hurt the farmer. He also attempted to defend the Department in its refusal to sell in world markets at truly competitive prices, which thereby cuts the farmer's acreage, production, and income.

Now, with the small farmer in bad financial shape, as recognized by the President, the United States Department of Agriculture is asking the committee to believe that to lower his price, increase his cost, and curtail his production will not appreciably hurt him. Perhaps the only thing left for the Department of Agriculture to recommend is that the low-income farmer get a job in town. And that is largely what the President, his Bureau of the Budget, and his Department of Agriculture have recommended to the committee in support of funds provided in the accompanying bill.

The farmers of this Nation received 12 percent of the national income in 1946, 11.6 percent in 1948, 9.4 percent in 1951; and in 1954 the farmer's share of the national income dropped to 7.2 percent. This year the indications are that this percentage will go down still further, with a drop of \$1 billion in farm income in sight. It is expected that the national income will increase another \$20 billion at the same time.

Supporters of flexible supports frequently contend that a 75 percent of parity support program will not hurt the farmer, because he is already hurt under 90-percent support. It is true that he has been in very bad financial shape, but in the absence of price supports his situation would have been much worse.

The farmer's income is dependent upon the volume he produces, multiplied by the price he receives, less his cost. In recent years the farmer's prices have been reduced, and his cost has gone up greatly, more than 12 percent in the last few years. The President has requested an increase in the minimum wage for labor and has supported increases in income for other groups. As a result, farm costs are bound to continue to go up. With his income dependent upon price times volume, reducing the price can only make the farmer's situation worse. A majority of the committee believes that what is needed is to at least maintain the price the farmer has been receiving, and to increase his volume of production by selling competitively in world markets what he produces.

In the opinion of a majority of the committee, what has really hurt the farmer is that his production has not been sold in world markets—because the Department of Agriculture has not offered such commodities for sale at truly competitive prices. According to the Department's own testimony, almost \$4 billion worth of farm commodities are in the hands of the Government, and are not being offered in world trade at competitive prices. The United States is

the only country which follows such a short-sighted policy.

By refusing to sell, the CCC has built its stocks up by billions of dollars, paying huge amounts of storage. Such storage expense will soon reach the staggering total of \$1 million per day, largely on commodities which are not offered in world trade at competitive prices.

Then further, such commodities, under the formula in the law, are counted to reduce the farmer's acreage and marketing quotas. Thus, the farmer's trouble and his reduced income under 90-percent supports have come about largely because of his constant price—now a reduced price under the parity formula of the administration—multiplied by a constantly reduced volume, less ever-increasing costs.

It is the belief of the majority of the members of the committee that to solve present difficulties Congress and the Secretary of Agriculture must correct two weaknesses in present programs. The first is to adopt a plan which will maintain reasonable prices for agricultural commodities. Nearly every segment of this country's economy is supported by one means or another, and it appears entirely reasonable to provide some comparable protection to the agricultural producer. If this fact were fully understood by all the people of the country, there is no doubt in the minds of the majority of the committee that there would be little objection to such a program.

The second solution which must be fully recognized and vigorously pursued is to make certain that agricultural commodities acquired by the Commodity Credit Corporation as a part of a price-support program are sold on a truly competitive basis as authorized by law. The majority of the committee would point out that the Commodity Credit Corporation has full authority in its basic charter to sell agricultural commodities abroad at competitive prices, which will move them into world trade channels.

Committee hearings disclose that, while the Department holds a convenient price umbrella over world production, American financial interests have increased their production in foreign countries as fast as the American farmers have been reduced at home. A recent study by the investigative staff of this committee shows that in Mexico, cotton production has increased from a prewar average of 324,000 bales to a postwar 5-year average of 577,000 bales and to 1,780,000 bales in the crop year 1954-55; at the same time, cotton exports have increased from 105,000 to 1,150,000 bales. This study also shows the following with reference to cotton production increases in other areas of the world:

In the Middle Eastern countries of Turkey, Syria, Iran, and Iraq, cotton production decreased from a prewar 5-year average of 459,000 bales to a postwar 5-year average of 390,000 bales and then increased to 1,260,000 bales in the crop year 1954-55. Cotton exports for the same periods decreased from 157,000 to 85,000 and then increased to 684,000 bales. It is believed that there will be continued increases in cotton production in the Middle East.

Cotton production in Nicaragua, El Salvador, and Guatemala has increased steadily from approximately 50,000 bales 4 years ago to an estimated 300,000 bales in 1954-55. A further increase of about 100,000 bales is expected in 1955-56, and potential annual production estimates after several more years of development range from 700,000 to 900,000 bales.

In Peru, cotton production has increased 25 percent during the past 5 years to 505,000 bales in 1954-55. During the same period exports, which are a large proportion of production, increased 25 percent. However, it is reported the Peruvian Government holds cotton and sugar production (the most

profitable crops) under strict control in order to insure the production of adequate food crops.

This same situation also exists for other crops. For example, this same committee report reveals the following with reference to wheat:

Sharp increases in wheat acreage and production have been recorded in a number of the European and Middle Eastern countries which have received substantial foreign aid grants in recent years.

France, although reducing slightly the acreage devoted to wheat in 1954 as compared with the 1935-39 average, produced over a third or 100 million bushels more wheat in 1954 than in the prewar years.

Turkey has almost doubled her wheat acreage since the 1935-36 to 1939-40 average and more than doubled her total production in 1953-54. Unfavorable yields in 1954-55 resulted in a sharp drop in wheat production as compared with a year earlier, yet it remained a third higher than in the prewar years.

Greece although on a net import basis has increased her wheat acreage 20 percent and production by 50 percent as compared with prewar years.

Most Latin American countries, as a part of their programs to increase home food production, have expanded their wheat acreage and production. The acreage in wheat in Mexico has increased 50 percent while production has more than doubled since the period 1935-36 to 1939-40. Although wheat is a minor crop in Peru, the acreage has increased 50 percent and production has almost doubled as compared with prewar years.

TOBACCO

World tobacco production increased from an annual average of 6.5 billion pounds in the 1935-39 period to 7.8 billion pounds in 1954 or an increase of 20 percent. During this same period the world acreage devoted to tobacco production increased from 7.5 million acres to 8.6 million acres or an increase of 15 percent.

United States production of tobacco increased from 1.5 billion pounds in the period 1935-39 to 2.2 billion pounds in 1954, an increase of 47 percent, in spite of the fact that the acreage devoted to tobacco in 1954 was slightly smaller than the 1935 to 1939 acreage.

Canada and southern Rhodesia are among the more important countries from the standpoint of tobacco production increases. In both of these countries the expansion has been encouraged by long-term contracts offered by British tobacco companies.

Increases in acreage and production from 1935-39 to 1954 are as follows:

	Percent increase in acreage	Percent increase in production
Canada.....	91	137
Southern Rhodesia.....	250	340

Japan has increased her tobacco acreage from 92,000 acres in 1935-39 to 172,000 acres in 1954 and from a production of 149 million pounds in the prewar years of 256 million pounds in 1954.

Turkey has increased her production of tobacco sharply from 128 million pounds in the prewar years to 206 million pounds in 1954 and acreage from 184,000 acres to 323,000 acres during the same period.

Italy also has increased both acreage and production of tobacco over 50 percent during the same period.

Brazil, by far the largest tobacco producer in Latin America, has increased her tobacco acreage from 250,000 acres in 1935-39 to 433,000 acres in 1954. Tobacco production in Brazil increased from 203 million pounds a

year in the 1935-39 period to 296 million pounds in 1954, an increase of 46 percent.

Colombia almost doubled both tobacco acreage and production in the same period, and Mexico more than doubled her production with about 50 percent increase in acreage.

Tobacco production has declined in India, Pakistan, and Iran.

Flue-cured tobacco usually accounts for about 80 percent of all United States exports. World production of this type of leaf has shown striking increases. The acreage of flue-cured tobacco in the major present and potential competing countries increased from 384,000 acres to 1,045 million acres, 172 percent, between 1935-39 and 1954 and production increased from 370.6 million pounds to 986.1 million pounds, 166 percent, during the same period.

Tobacco production is expected to increase further in the sterling area countries where British interests are stimulating increased production. Further increases in acre yields also are expected in most countries, especially in Latin America.

The committee study also developed the following with respect to American financial interests behind these increases in production abroad:

The survey made to date on this phase of the directive indicates that the major portion of private United States capital investments, financing and management, has been concentrated to a large extent on one of the basic commodities, cotton, and that this activity has been substantially limited to Mexico, Central and South America, generally referred to as Latin America.

Here the increased agricultural production, extensive in cotton but also to a lesser degree in other basic commodities, has been generated to an important extent by United States private interests. Although it is not now indicated that much actual farming or production has been undertaken by Americans, in many instances the establishment of markets, cotton gins, elevators, processing plants and the financing of production has provided the incentive and impetus for an important part of the increased output.

In Mexico, Anderson, Clayton & Co. has increased its net capital investment account in plants and equipment by \$8,911,709 to a total of \$12,653,316 during the period July 31, 1947, to July 31, 1954; and in Brazil by \$7,140,303 to a total of \$15,354,158 for the same period. This company has increased total net capital investment in plants and equipment in all Latin American operations, by approximately \$18,791,214 to a total of \$33,073,037 for the same period. As of March 1955 Anderson, Clayton's foreign plants consisted of 15 compress and warehouse units, 22 oil mills, 112 cotton gins, 10 oil refineries, 5 finished product plants, and 5 soap plants. The company operates through a number of subsidiaries in Mexico, Argentina, Brazil, Peru, and Paraguay, all of which are mostly wholly owned. Operations were started in Mexico about 1924 and in Peru, Brazil, Argentina, and Paraguay during 1933-35. Crop loans in all foreign operations as of July 31, 1954, were \$14,955,477. (Source: SEC records and company reports.)

The Corn Products Co. has plants, and grain operations at Guadalajara, Mexico, in Argentina, and in Brazil. It manufactures and distributes products using corn or milo-maize as the raw materials. As of December 31, 1954, investment of this company in foreign subsidiaries built up over some period of time is listed at \$14,749,000. During 1954, foreign sales of corn products by the company's domestic plants total \$11,888,041 or approximately 5 percent of total sales. Latest figures for sales of its foreign subsidiaries show that in 1953 these amounted to \$95,313,550. (Source: SEC records and company reports.)

The W. R. Grace Co. has one of its principal foreign operations in Peru. Peruvian subsidiaries of the Grace Co., jointly owned with leading local industrialists, operate 4 integrated cotton mills, the largest in Peru, 2 sugar estates of approximately 10,000 acres each, and numerous other merchandising, exporting, and importing activities. These subsidiaries buy large quantities of cotton, mostly for their own mills, although some is exported. The Grace Co. has other cotton mills in Colombia and Chile. In the latter country it produces 20 percent of Chile's cotton and rayon blend cloth and, in addition, some woolen goods. Overall, Grace's Latin American affiliates produced in 1954, 97,600,000 yards of cotton, rayon and woolen fabrics. W. R. Grace & Co. owns a large percentage of the stock in the Grace National Bank of New York City. The foreign branch of this bank is closely connected with banking institutions in Latin America.

The Hohenberg Bros. Co. of Memphis is one of the largest companies in the cotton business. It finances and gins cotton in Mexico with its subsidiaries Algodonera Hohenberg S. A. de C. V. in Mexico City, and Empresas Hohenberg of Torreon. It also owns Hohenberg, S. A. in Sao Paulo, Brazil, and has a substantial amount of business in Europe, Africa, and Asia.

POINT 3

The extent to which such United States financial interests receive special tax concessions from the United States Government on income from production in other countries.

Federal income tax treatment of United States interests on income from without the United States corporations

1. Introduction: The Internal Revenue Code of 1954 provides certain credits or tax advantages for United States corporations doing business in United States possessions or in foreign countries. In some instances the credits are allowed to avert double taxation; in others special treatment is permitted to encourage United States trade and investment abroad, particularly in this hemisphere. The following is an outline of Federal income-tax treatment accorded income of domestic corporations from without the United States. The section references are to the Internal Revenue Code of 1954, Public Law 591, 83d Congress, approved August 16, 1954.

2. Foreign Tax Credit (secs. 901-905): A domestic corporation may elect to take credit against its total income tax for any income, war profits, or excess-profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States. The term "income, war profits, and excess-profits taxes" includes taxes paid in lieu thereof, such as taxes based upon gross sales or unit of production. The credit is not allowed against the following United States taxes: The tax on accumulated earnings, the additional tax on war-loss recoveries or the personal-holding-company tax. The amount of credit for foreign taxes is limited to the proportion of United States tax applicable to that particular foreign income.

A credit is also permitted a domestic corporation for the proportionate part of foreign taxes paid on income by a foreign corporation which results in dividends to the domestic corporation. At least 10 percent of the voting stock of the foreign corporation must be held. A further proportionate credit is allowed if such foreign corporation owns 50 percent or more of the voting stock of another foreign corporation and receives dividends therefrom, and such dividend becomes part of the dividend paid to the domestic corporation.

An example of the latter situation would be: The A corporation, a domestic corporation, receives \$100,000 in dividends from B corporation, a foreign corporation in which

A corporation holds more than the requisite 10 percent of the voting stock. B corporation in turn holds all of the stock of C corporation, another foreign corporation. The accumulated profits of B corporation amount to \$400,000 (including a \$50,000 dividend from C corporation). The foreign income taxes paid by B corporation with respect to such accumulated profits amounts to \$120,000. C corporation has accumulated profits of \$300,000 with respect to which foreign taxes of \$90,000 have been paid.

Under these circumstances there would be added to the \$120,000 tax with respect to the accumulated profits of B corporation: \$50,000

—×\$90,000, or \$15,000 representing the 300,000

foreign income tax paid upon that portion of the accumulated profits of C corporation used in the payment of \$50,000 dividend to B corporation. The total tax paid or deemed to have been paid by B corporation with respect to its \$400,000 accumulated profits is \$120,000 plus \$15,000, or \$135,000.

The amount of tax deemed to have been paid by the domestic corporation with respect to the \$100,000 dividend received from B corporation would then be: \$100,000

—×\$135,000, or \$33,750, which may be 400,000

claimed as a foreign tax credit.

3. Western Hemisphere Trade Corp. (secs. 921-922): A Western Hemisphere trade corporation is a domestic corporation all of whose business (other than incidental purchases) is done in any country or countries in North, Central, or South America, or in the West Indies, and which satisfies the following conditions:

(1) if 95 percent or more of the gross income for the 3-year period immediately preceding the close of the taxable year (or for the part of such period the corporation was in existence) was derived from sources without the United States; and

(2) if 90 percent or more of its gross income for such period was derived from active conduct of a trade or business.

A deduction in computing taxable income is allowed Western Hemisphere trade corporations as follows:

(A) First determine the taxable income of the corporation.

(B) Multiply the amount determined in (A) by the fraction—

(a) the numerator of which is 14 percent; and

(b) the denominator of which is that percentage which equals the sum of the normal tax rate and the surtax rate for the taxable year.

The effect of this computation is to allow a deduction which results in a 14-percent reduction in tax rate. It is understood that Western Hemisphere trade corporations are being rather widely used for United States trade and investment in Canada, Central, and South America.

4. Income From Sources Within Possessions of the United States (sec. 931): Domestic corporations engaged in the active conduct of a trade or business within a possession of the United States are exempt from tax on income from sources outside the United States, if for the 3-year period ending with the close of the taxable year (or the applicable part of that period)—

(a) at least 50 percent of gross income is from that trade or business; and

(b) at least 80 percent of gross income is from any source within the possession.

The Virgin Islands of the United States are expressly excluded by statute from "possessions of the United States."

The credit for taxes paid to foreign countries and possessions, discussed in section 2 above, is not allowed to corporations receiving the benefit of this section of the Code.

5. China Trade Act Corporations (secs. 941-943): Corporations organized under the China Trade Act, 1922 (15 U. S. C., ch. 4, sec. 141 et seq.) are allowed a special deduction derived from a proration of taxable income from sources within Formosa and Hong Kong, such deduction being limited to the amount of the special dividend which must be certified by the Secretary of Commerce to the Secretary of the Treasury.

China Trade Act Corporation benefits are believed to have an inconsequential effect on the agricultural situation under study.

6. Dividends received from certain foreign corporations (sec. 245): Foreign corporation dividends (other than from a foreign personal holding company) received by a domestic corporation are subject to a deduction if—

(a) the foreign corporation is subject to United States income tax; and

(b) if it has derived 50 percent or more of its gross income from sources within the United States for an uninterrupted period of not less than 36 months, ending with the close of such foreign corporations' taxable year in which such dividends are paid (or, if the corporation has not been in existence for 36 months at the close of such taxable year), for the periods the foreign corporations have been in existence as of the close of such taxable year.

The dividends received credit is 85 percent but is limited to the percentage which the gross income of such foreign corporation from sources within the United States bears to its gross income from all sources.

7. Tax treaties (sec. 894): The code in section 894 provides: "Income of any kind, to the extent required by any treaty obligation of the United States, shall not be included in gross income and shall be exempt under this subtitle."

The development of United States business abroad and the increasing business done in the United States by aliens throughout the years have created complex tax problems. To solve these problems equitably for taxpayers and to protect United States revenues a number of tax treaties have been concluded, or are in negotiation.

Basically, these treaties are designed to eliminate international double taxation and to assist in mutual tax enforcement. An essential of such treaties is, therefore, the establishment of bases for determining sources of income.

Tax treaties have been concluded with the following countries: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, Union of South Africa, United Kingdom.

Negotiations are underway with: Austria, Colombia, Cuba, Honduras, Israel, Italy (awaiting exchange of ratification), Mexico, Philippines.

An idea is being explored to consider in future treaty discussions an item of taxes spared. The principle involved is that when a foreign country offers the inducement of waiving taxes for an initial limited period of years to encourage new industry to enter the country, the treaty could provide that the taxpayer be allowed a credit for the taxes which would have been paid but for the tax sparing. The purpose would be to encourage the investment of United States capital in enterprises in friendly nations.

8. Foreign corporations not subject to United States taxes: Foreign corporations owned by United States interests and not subject to United States taxes are naturally not covered by the Internal Revenue Code, but may be an important vehicle for employment of United States capital abroad. Such corporations can be utilized to accumulate earnings, with such earnings being ultimately liquidated and brought under United

States taxation only as gains subject to the limitation on taxation of capital gains.

Such corporations would fall essentially into two categories:

(1) Those incorporated in the country in which operations are conducted.

(2) Those incorporated in countries in which operations are not conducted but which have laws favorable to corporations. Panama, for instance, imposes no income tax except on business conducted in Panama. Panama, Bermuda, Bahama, and Liberia corporations have been frequently used.

Such foreign corporations are not under United States authority and information as to the extent of their utilization is not now available. Even though such foreign corporation are subsidiaries of domestic corporations, United States taxation is avoided unless dividends are paid to the parent companies.

Individuals

9. Introduction: The tax benefits to individuals from residence abroad, or from income from United States possessions or foreign countries, are important in encouraging United States citizens to accept employment or to invest abroad. The following sections outline these benefits.

10. Foreign tax credit (secs. 901, 903-5): The foreign tax credit described under section 2 above on corporations is also applicable to individuals. All features enumerated therein apply except for the credit allowed a domestic corporation for a proportionate part of taxes paid by a foreign corporation.

11. Earned income from sources without the United States (sec. 911): An individual citizen of the United States, who has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, is exempt from tax on amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income attributable to such period. The individual is not entitled to any deductions related to such exempt income, but is allowed personal exemptions.

Exactly the same treatment is accorded individual citizens who are present in a foreign country or countries at least 510 full days during any period of 18 consecutive months. Under this provision, if the 18-month period includes the entire taxable year the amount excluded shall not exceed \$20,000. If the 18-month period does not include the entire taxable year the amount excluded from tax is the ratable portion.

"Earned income," under these provisions, means amounts received as compensation for personal services actually rendered, but does not include any payment which represents a distribution of earnings or profits. If the taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance, not to exceed 30 percent of his share of the net profits, is considered to be earned income.

12. Income from sources within possessions of the United States (secs. 931 and 933):

The provisions relating to income from within United States possessions described under section 4 on corporations are also applicable to individual taxpayers.

In addition, section 933 of the code contains a special provision for individuals on "Income from sources within Puerto Rico." This section provides that in the case of an individual who is a bona fide resident of Puerto Rico during the entire taxable year income derived from sources within Puerto Rico (except amounts received for services performed as an employee of the United States or any agency thereof) shall not be included in gross income. No deductions assignable to such excluded income (other than personal exemptions) are allowed.

Also, if an individual citizen of the United States has been a bona fide resident of Puerto Rico for at least 2 years before the date on which he changes his residence therefrom, income derived from sources therein (except amounts received for services performed as an employee of the United States or any agency thereof) which is attributable to the Puerto Rican residence is excluded. Deductions relating thereto (except personal exemptions) are not allowable.

13. Tax treaties (sec. 894): The tax treaties mentioned in section 7 under "Corporations" also cover individual taxpayers.

14. Partnerships (secs. 701-771 and sec. 1361): Since partnership returns are informational only and the distribution to partners is taxable on individual returns, the preceding sections dealing with individuals cover the tax benefits arising from partnership operations in possessions and foreign countries.

Section 1361 of the code, added in 1954, provides that partnerships in certain circumstances may elect to be taxed as domestic corporations. This provision is not considered significant to the present study.

POINT 4

The extent to which such financial interests are tied into the Department of Agriculture and national farm organizations, through representation on advisory committees and similar groups.

The Department of Agriculture has furnished the committee staff a listing which purports to include every advisory committee of the Department as well as all its consultants. These advisory committee lists have been reviewed to segregate those which are germane to the survey and those which are not, such as Farmer Cooperative Service, Rural Electrification Administration, etc.

The staff is presently engaged in studying the composition of relevant committees to determine the extent of representation of private United States interests which are engaged in agricultural activities in foreign countries. To date it has been found that the following officials of companies either believed or known to be engaged in such activities are currently serving on the indicated committees:

Advisory Committee on Foreign Trade and Technical Assistance: W. C. Schilthuis, Continental Grain Co., alternate; Lamar Fleming, Jr., Anderson, Clayton & Co., alternate.

Cotton Export Advisory Committee: Lamar Fleming, Jr., chairman, board of directors, Anderson, Clayton & Co.

Cotton Price Support Advisory Committee: A. M. Crawford, Well Bros.

Grain Export Advisory Committee: André Hirschler, Bunge Corp.; Harold E. Sanford, Continental Grain Co.; W. C. Schilthuis, Continental Grain Co.

Wheat Advisory Committee: H. E. Sanford, vice president, Continental Grain Co.

Corn Advisory Committee: William F. Brady, Corn Products Refining Co.; Robert C. Woodworth, vice president, Cargill, Inc.

Dairy Export Advisory Committee: George M. McCoy, Borden Food Products Co.; A. W. Sigmund, Kraft Foods, Inc.; Leslie J. Lindell, General Milk Co.

Dairy Industry Task Committee: Arthur W. Sigmund, Kraft Foods, Inc.; D. M. Dent, Borden Food Products Co.

CCC Storage Committee: Loren Johnson, Continental Grain Co.

National Agriculture Advisory Commission: Jesse W. Tapp, Bank of America.¹

¹ This name is included as the Mexican press has reported that the Bank of America has issued credit of \$10 million for financing cottongrowers in Mexico. Several other banks have representatives on committees but it has not yet been determined whether they finance foreign production.

In connection with the Cotton Export Advisory Committee listed above it should be noted that a temporary committee of the same name was appointed by the Secretary of Agriculture on February 13, 1953, and was comprised of the following individuals:

D. W. Brooks, general manager, Georgia Cotton Producers Association, Atlanta, Ga.
C. R. Sayre, president, Delta Pine & Land Co., Scott, Miss.

Everett R. Cook, Cook & Co., Memphis, Tenn.

Lamar Fleming, Jr., president, Anderson, Clayton & Co., Houston, Tex.

William A. McGregor, vice president, Guaranty Trust Co., New York, N. Y.

Charles H. Cannon, president, Cannon Mills, Kannapolis, N. C.

Walter L. Randolph, president, Alabama Farm Bureau Federation, Montgomery, Ala.

This is the committee referred to on February 28, 1955, by Senator EASTLAND, page 49, part I, of hearings before the Subcommittee on Disposal of Agriculture Surpluses of the Senate Committee on Agriculture. The committee staff has been informed that it held several meetings during the calendar year 1953, submitted a report to the Secretary of Agriculture, and that the Secretary considered it dissolved.

The present Cotton Export Advisory Committee was appointed by the Secretary of Agriculture on May 24, 1955, to serve for the coming year, and is comprised of the following individuals:

Walter L. Randolph, vice president, American Farm Bureau, Montgomery, Ala.

Alan G. Patteson, producer, Jonesboro, Ark.

J. B. Hubbard, president, J. B. Hubbard & Co., Cotton Exchange Building, Dallas, Tex.

Allison Pell, president, Pell Cotton Co., Charlotte, N. C.

Lamar Fleming, Jr., chairman, board of directors, Anderson, Clayton & Co., Houston, Tex.

E. F. Creekmore, president, Creekmore & Co., Cotton Exchange Building, New Orleans, La.

S. Y. West, president, S. Y. West & Co., Memphis, Tenn.

D. W. Brooks, general manager, Cotton Producers Association, Atlanta, Ga.

The committee staff is continuing its study to determine the extent of representation

of private United States interests, engaged in agricultural activities in foreign countries.

POINT 5

The amount of foreign-aid funds which have been used to encourage increased agricultural production in foreign countries.

As of March 31, 1955, cumulative obligations of the Foreign Operations Administration and its predecessor agencies aggregated approximately \$19.1 billion. Around 63 percent or \$12.1 billion represented obligations for assistance activities in 20 selected countries where agriculture relatively is most important. (See table I.) In these 20 countries slightly less than \$1 billion has been obligated for agricultural assistance including health and industrial assistance activities having a direct bearing on agricultural production and processing. In addition, approximately \$710.8 million in local counterpart funds created by assistance activities in these 20 countries have been programmed for the furtherance of agricultural production and processing.

Because of the outstanding importance of agriculture and substantial increases in agricultural production, particularly cotton in recent years in Iran, India, Pakistan, and Turkey as compared with the other countries receiving assistance the activities in these countries are being analyzed in detail.

Thus far detailed data are available only for Iran. (See table 2.) As of March 31, 1955, approximately \$201.2 million United States foreign assistance funds have been obligated for the Iranian program, of which amount \$47.3 million has been incurred for agricultural assistance, including those health and industrial activities bearing directly on agricultural production. The breakdown on these funds by field of activity and between projects and technical assistance is as follows:

"[Amount in millions]"

Activity field	Projects	Technicians and trainees	Total
Agriculture.....	\$17.7	\$5.6	\$23.3
Health.....	9.9	2.5	12.4
Industry, transportation, and community development.....	11.6	.....	11.6
Total.....	39.2	8.1	47.3

TABLE 1.—Promotion of agriculture abroad—Funds obligated by Foreign Operations Administration and predecessor agencies, Apr. 3, 1948, through Mar. 31, 1955—20 selected countries

Country	Projects ¹	Technicians and trainees ¹	Commodities ¹	Total for promotion for agriculture ¹	Total aid by FOA and predecessor agencies ¹	Approved withdrawals from counterpart funds for promotion of agriculture ²
Latin America:						
Brazil.....	\$2,058,489	\$3,233,006	.....	\$5,291,495	\$10,643,471	.....
Colombia.....	680,508	1,877,536	.....	2,558,044	3,509,826	.....
Mexico.....	764,500	1,010,064	.....	1,774,564	3,774,289	.....
Nicaragua.....	480,550	1,047,994	.....	1,528,544	2,413,211	.....
Peru.....	2,615,341	2,951,383	.....	5,566,724	7,696,800	.....
Total.....	6,849,468	10,119,983	.....	16,969,451	28,637,687	.....
Europe:						
France.....	.....	458,000	\$179,910,434	180,368,434	3,204,153,586	\$253,000,000
Italy.....	.....	296,000	30,140,821	30,426,821	1,613,736,268	259,000,000
Western Germany.....	.....	351,000	180,648,397	180,999,397	1,494,547,839	106,400,000
United Kingdom.....	.....	242,000	103,266,620	103,508,620	3,812,513,529	700,000
Total.....	.....	1,347,000	493,966,272	495,303,272	10,124,951,222	619,100,000
Near and Middle East:						
Turkey.....	.....	3,030,637	63,845,967	66,876,604	360,018,922	18,600,000
Greece.....	424,964	1,766,000	43,177,927	45,368,888	836,608,760	64,800,000
Syria.....	.....	.....	.....	.....	88,140	.....
Iran.....	39,246,650	8,087,472	.....	47,334,122	201,229,759	.....
India.....	167,830,600	6,638,367	.....	174,468,967	261,562,195	.....

Footnotes at end of table.

TABLE 1.—Promotion of agriculture abroad—Funds obligated by Foreign Operations Administration and predecessor agencies, Apr. 3, 1948, through Mar. 31, 1955—20 selected countries—Continued

Country	Projects ¹	Technicians and trainees ²	Commodities ³	Total for promotion for agriculture ⁴	Total aid by FOA and predecessor agencies ⁴	Approved withdrawals from counterpart funds for promotion of agriculture ⁵
Near and Middle East—Con.						
Pakistan	\$42,621,235	\$1,554,772	\$5,576,495	\$49,752,502	\$118,531,295	\$2,100,000
Iraq	612,207	2,250,259		2,862,466	6,557,732	
Total	250,735,556	23,327,507	112,600,386	386,663,449	1,792,496,808	85,500,000
Africa: Egypt	32,022,964	1,478,261		33,501,225	30,244,551	
Far East:						
Burma	6,079,003	450	1,492,906	7,572,359	21,181,588	800,000
Japan			7,000,000	7,000,000	10,140,145	
Thailand	84,271,100	377,654	2,500,926	37,149,680	51,329,453	5,400,000
Total	40,350,103	378,104	10,993,832	51,722,039	82,651,186	6,200,000
Grand total	329,958,091	36,640,855	617,560,490	984,159,436	12,067,381,449	710,800,000

¹ Project obligations primarily represent total equipment and supply costs which will be borne by the United States in conducting specific activities, e. g. locust control, dam construction, etc., under signed project (activity) agreements with the respective countries.
² Technician and trainee obligations represent salary, per diem, transportation, and other costs incidental to furnishing United States technicians to the respective countries and the training of local nationals in the United States.
³ Commodity obligations primarily represent the cost of agricultural products, machinery and supplies, textile-mill machinery, and food-processing equipment furnished. Local currency counterpart funds are created by the local sales of these and other commodities in the recipient countries.
⁴ Includes the dependent overseas territories of the European countries, nonregional, and other program obligations of FOA and its predecessor agencies.
⁵ Counterpart fund withdrawals for the promotion of agriculture are primarily directed toward land reclamation and irrigation, research and extension, and farm credit.

General technical assistance is being provided to Iran in the field of agriculture, health, and industry. Inasmuch as cotton and wheat are grown throughout the country, all technical assistance rendered to Iran is indirectly beneficial to the production of these two commodities.

As of March 31, 1955, approximately \$3.4 million in obligations have been recorded for projects related specifically to cotton, wheat, and general agricultural production and the introduction of new seed strains. The amount devoted specifically to cotton and wheat is not available.

Now let us see what the effect is on American agriculture this year alone:

DEPARTMENT OF AGRICULTURE,
 Washington, D. C., February 3, 1955.

To Extension Directors in Cotton States:

Congressman JAMIE L. WHITTEN, chairman of the House Subcommittee on Agricultural Appropriations, has requested that a survey be made immediately to secure the best possible answers to the two questions on the attached sheets, a supply of which we are sending you.

On Wednesday, February 2, a group of State representatives from the cotton States and the Department met and recommended the following procedure to obtain this information.

Will you please proceed immediately along the following lines:

A. Contact other agency heads in your State and work out any mechanics necessary to get the information for each cotton county.

B. We suggest that the county agent call together appropriate USDA personnel operating within the county to discuss the questions and to answer them to the best of their ability.

C. Send to the Federal Extension Service, Washington, D. C., your county replies to arrive not later than February 16. Due to time limitations we suggest counties send report directly to the Federal Extension Service with copies to you for your information.

Sincerely yours,
 E. T. BENSON, Secretary.

STATE CONSERVATIONISTS, SCS.
 CHAIRMAN OF STATE ASC COMMITTEE.
 STATE DIRECTORS, FHA.

Please give your best estimates for your county on—

1. How many renter families (tenants and sharecroppers) have been or will be forced off farms due to 1955 reduction in cotton allotments? The question is concerned only with the number of renters (as defined above) forced off farms due to the 1955 reduction in cotton-acreage allotments and not for other causes such as mechanization, drought, etc.

Answer -----
 2. How many small cotton farmers (i. e., those with 5 acres or less of cotton allotted in 1954) will have net income for the farm reduced by \$100 or more due to the 1955 cotton acreage reduction? Do not include in this estimate the number who may have income reduced due to not planting full allotments. The value of crops produced on acres diverted from cotton should be considered in arriving at the net income loss.

Answer -----
 County -----
 State -----
 Date -----

UNITED STATES DEPARTMENT OF AGRICULTURE—
 ATTENDANCE AT CONFERENCE ON SURVEY ON
 COTTON ACREAGE REDUCTION, ROOM 218-A,
 FEBRUARY 2, 1955

C. A. Vines, State extension service, Arkansas.

Clay Lyle, director, State extension service, Mississippi.

G. G. Gibson, director, State extension service, Texas.

C. B. Ratchford, State extension service, North Carolina.

Shawnee Brown, director, State extension service, Oklahoma.

James T. Lunsford, State director, Farmers' Home Administration, Alabama.

R. L. VanSant, State director, Farmers' Home Administration, Georgia.

James W. Cross, Jr., chairman, agricultural soil-conservation committee, Tennessee.

Ben Boatwright, chairman, agricultural soil-conservation committee, South Carolina.

Cecil Collettere, member, agricultural soil-conservation committee, Arizona.

Charles A. Sheffield, Federal Extension Service.

E. L. Langford, Agricultural Research Service.

R. B. Bridgeforth, Commodity Stabilization Service.

C. M. Ferguson, Federal Extension Service.

M. H. Holliday, Farmers' Home Administration.

J. C. Wheeler, Office of Budget and Finance.

Milan D. Smith, Office of the Secretary.

J. A. McConnell, Office of the Secretary.

E. C. Betts, Jr., Office of the Secretary.

Number of counties with 1,000 or more acres of cotton and number of countries reporting

State	Number of counties having 1,000 or more acres of cotton	Number of countries reporting
Alabama	67	67
Arizona	7	7
Arkansas	63	54
California	8	9
Florida	11	27
Georgia	138	139
Illinois	0	3
Kentucky	2	2
Louisiana	46	29
Missouri	8	8
Mississippi	77	80
New Mexico	11	10
North Carolina	55	64
Oklahoma	49	74
South Carolina	45	44
Tennessee	35	44
Texas	205	212
Virginia	6	14
Total	844	887

Summary of answers from 887 counties to the following question:

"How many renter families (tenants and sharecroppers) have been or will be forced off farms due to 1955 reduction in cotton allotments?" The question is concerned only with the number of renters (as defined above) forced off farms due to the 1955 reduction in cotton-acreage allotments and not for other causes such as mechanization, drought, etc."

	Renter families
Alabama	7,554
Arizona	127
Arkansas	4,426
California	0
Florida	279
Georgia	8,157
Illinois	49
Kentucky	60
Louisiana	3,395
Missouri	2,202
Mississippi	11,981
New Mexico	137
North Carolina	2,783
Oklahoma	1,477
South Carolina	4,147
Tennessee	3,075
Texas	5,580
Virginia	108
Total	55,348

Summary of answers from 887 counties to the following question:

"How many small cotton farmers (i. e., those with 5 acres or less of cotton allotted in 1954) will have net income for the farm reduced by \$100 or more due to the 1955 cotton-acreage reduction? Do not include in this estimate the number who may have income reduced due to not planting full allotments. The value of crops produced on

acres diverted from cotton should be considered in arriving at the net income loss."

Alabama.....	17,595
Arizona.....	38
Arkansas.....	1,496
California.....	0
Florida.....	2,348
Georgia.....	14,888
Illinois.....	147
Kentucky.....	203
Louisiana.....	6,649
Missouri.....	1,881
Mississippi.....	34,414
New Mexico.....	64
North Carolina.....	17,397
Oklahoma.....	378
South Carolina.....	10,400
Tennessee.....	14,944
Texas.....	6,129
Virginia.....	1,632
Total.....	130,603

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, not long ago I was able to spend a few days in my home district. While there I had the opportunity of talking with a number of people concerning the financial position of farmers.

I found there are two groups of farmers these days. One is the group of farmers that was fortunate enough to be able to pay off debts during and after the war, and before the present farm recession started. These farmers are established. While they are not getting anywhere under present conditions of income, they are able to keep farming even with the lower prices and reduced acreages of the Benson administration.

The other group of farmers is the less fortunate group that has been forced to accumulate debt at the tail end of a prosperous period in agriculture. This group is now caught in the nutcracker of declining prices, low income, and the urgency to maintain earnings high enough to provide a decent living and meet debt payments at the same time. This group is in a tough position and is having a difficult time. Unfortunately, many of the members in this group are the younger farmers, and the GI's who have returned to the land after serving their country.

Mr. Chairman, anyone who went through the difficult period of the twenties which eventually led to the deep depression of the thirties cannot help but find similarities in the situation in agriculture today with that of 30 years ago.

One of the better agricultural letters published in Washington has a good article on this subject in its issue of July 9. I am speaking of Wayne Darrow's Washington Farmletter, and would like to quote from it:

More credit will be needed for land purchases in the period ahead than is required now. USDA studies indicate. Recent trends point to this already. The trend will pick up when the social security program for farmers gets into full swing.

A higher percent of farm purchases require credit now than at the close of World War II. About 3 out of 5 farms bought need credit now against 2 out of 5 farms at close of the last big war.

The amount loaned per acre has about doubled—up from around \$30 average debt per acre after the war to about \$60 an acre now.

Average size of new mortgages also has jumped—from approximately \$3,500 at close of the war to around \$6,000 now. However, good land is not considered too high now. In fact, it's sought after. Mortgage debt is not too high yet in relation to total investment.

Are we heading for another big debt, farm foreclosure period like the late 1920's? Officials don't think so. But there are similarities.

The farm mortgage debt climbed 7 percent last year. It's now 72 percent above the low of 1946. Officials are not concerned over size of the debt, so far. Present total of \$8.2 billion, though large, is smaller than the peak of \$10.8 billion in 1923. This year's debt represents only 8.9 percent of the value of farm real estate, against 21 percent in 1923.

Mortgage debt is concentrated on fewer farms now. About 29 percent of all farms are mortgaged now—the lowest percentage since 1890.

The reason is: We've just passed through the most prosperous period for agriculture in this century—the period of the 1940's. This is shown in many ways, including the number of years it takes for net farm income, or earnings, to equal capital investment—capital turnover.

This is a measure of ability to pay off debt. During the 7 years 1942-48 it took 5½ to 6½ years for net income to equal the value of all physical assets—the most favorable period in this century.

The ratio has been on the rise since. Now it takes about 10 years for net income to equal total investment. This is roughly comparable with the last half of the 1920's and with the late thirties.

Darrow's Farmletter also comments on the greater concentration of farms in fewer hands. It says:

Net migration from farms to cities averages over 1 million yearly. There's been a net movement away from farms every year since 1920, except in 1945 and 1946—years when veterans were returning.

For every 5 people on farms in 1947, there were only 4 in 1954. Farm population decreased 8 percent from 1947 to 1950—12 percent from 1951 to 1954. Net migration away from farms (excess above movement back to farms) averaged 4.6 percent of the total farm population yearly during 1947-53.

Census reports so far show fewer farms than in 1950—but no reduction in farm acreage. The trend is unmistakably toward fewer but bigger farms. Commercial farming is becoming more pronounced.

Mr. Chairman, it is not my intent to dwell unduly on the unhappy experiences of the twenties. However, a few reminders may be in order.

Today's situation makes me think of the previous time our boys marched off to save the world. When the war ended the farm boys came back to their homes only to find high mortgage debts, prices inflated for the things they had to buy, but prices down for the things they had to sell. It was the kind of situation calculated to place young farmers in an impossible debt situation. And the administration then in power was unhappily the kind that had no real understanding of the problems of farmers.

Many of the young farmers of the day were unable to provide their families with a decent standard of living. Debts mounted. Health needs were neglected.

Surpluses accumulated, and while the stock market boomed, farm prices sank lower and lower and the whole shaky structure collapsed into the big depression of the early thirties.

Mr. Chairman, it is almost frightening to contemplate the similarities between the situation in the early twenties and that of today.

The income position of agriculture is almost identical. Prices have gone down, down, and down. Costs have stayed consistently high. Income is thus pinched, squeezed, and diluted. While the rest of the country is enjoying a fairly high degree of prosperity, the farmer is losing ground.

Veterans who were forced to purchase their livestock at prices prevailing at the time of their return, have seen their livestock inventory reduced in value from a third to a half.

These farmers eventually may be faced with debt adjustment, possible foreclosure and forced departure from the land.

In our free economy we do not expect persons to be in business only for their health, yet many farmers are literally.

This shows up in nearly all major products, especially in the livestock products. Farmers have been giving the consumer more than he has ever had, and for less and less money—so far as the farmer's income is concerned. Let me give you a few concrete examples:

In 1948 farmers produced a little more than 21 billion pounds of the red meats for consumers, receiving over nine and a third billion dollars. But last year farmers produced a little over 25 and a half billion pounds of the red meats, receiving only \$8.8 billion.

In other words, Mr. Chairman, last year farmers received 6 percent less money for 20 percent more production than just 6 years before. Putting it in terms of the value of 1948 dollars, farmers last year received 14 percent less money for supplying each consumer with 10 percent more red meat. The year we are in now is the third straight year of producing more than 150 pounds of the red meats for each man, woman, and child in the United States. And all the production above 150 pounds a person has, in effect, been given away by farmers.

Here is another example: In 1954 per capita consumption of poultry meats was 6 pounds a person higher than in 1948. Total production was a fourth higher than in the earlier year. Yet, in dollars of the same buying power for both years, farmers received practically the same for their poultry in the 2 years. In other words, the extra 6 pounds of meat provided each consumer was given free, so far as farm income was concerned.

Mr. Chairman, we would expect this kind of thing during a serious depression, but we do not expect it in a time which we are told is the most prosperous in history. What might apply to the rest of the country does not apply to those who live on the land.

Actually, the farm-debt situation is better now than in the twenties. Those forced into debt just prior to the present farm depression are having a hard

time of it. But the prosperity of farmers in recent years has enabled many of them to pay off debts. And while the mortgage debt is growing, it is concentrated on fewer farms. It is a situation that needs careful watching, but it is not yet critical.

There is one other important difference between the fifties and the twenties. Today we have established farm programs that can be used to protect agriculture in this period of obvious inequity—if we have the will to use them, that is.

What is the difficulty?

I am afraid the real trouble lies with the administration, Mr. Chairman. It is in the unconcern of the Eisenhower-Benson direction of agricultural programs that we have a situation frighteningly close to that of the twenties.

It is a statement of simple fact that the Department of Agriculture, under Secretary Benson, has not faced up to its responsibility. Secretary Benson has engaged in the easy sport of buck passing. He has tried to fasten blame for his own indecision and inaction on the preceding administration.

He has taken liberties with laws placed on the statute books by this body.

He has shown himself to be more interested in the welfare of processors than in the welfare of the producers.

He has failed to meet situations squarely—as witness his still lack of an adequate program for the dairy industry and his “too little and too late” proposals for wheat.

He has sat around hoping that something favorable would happen, and not doing anything to make it happen.

He has sought excuses for inaction when he should have been seeking answers on which to base action.

He has used per capita income as a cover up for the severe decline in national farm income—as though it were his policy to increase per capita income of farmers by cutting down the number of farmers. Mr. Chairman, this is a bloody way of bringing about prosperity in agriculture. It is based on the assumption that to bring prosperity to a few you must liquidate the others.

I do not believe that such a policy can be continued, or should be condoned in the name of our free-enterprise system.

One of the high purposes of the Department of Agriculture should be to use its brain, its brawn, and its ample bank account in helping farm people achieve an ever-rising standard of living along with the rest of the economy, and to give aid in bringing to those in agriculture an equality with all groups.

Having had a good deal of experience with the Department of Agriculture, Mr. Chairman, having sat through a good many hearings with its top officials; having had some part in the legislation enacted for agriculture by this body, and having observed the functioning of those in the Benson administration, I am forced to the conclusion that the Secretary is a failure. He may not yet realize the extent of his inadequacies. I am also forced to conclude that the President has a blind spot which pre-

vents him from knowing any of the real problems of farmers, let alone understanding them, or desiring to understand them. What else can be concluded from one who not only condones the inadequacies of Secretary Benson, but praises them?

Mr. Chairman, if anything is to be done to check the present system of drift, decline, and eventual disaster; if we are to lay away the ghost of Hooverism, it must be done by the farmers themselves and by the Congress. Or, we will all go bust with Benson.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. SIKES].

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

[Mr. SIKES addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. METCALF. Mr. Chairman, when further investigation is made of the Wichita Wildlife Refuge and the need for the perpetuation of the refuge is balanced against the national defense needs continuing the operation of Fort Sill and its magnificent artillery school, I am sure the committee will come to the conclusion there are alternative methods for continuing long-range artillery instruction at Fort Sill.

The Wichita Mountain area is the last primitive area in Oklahoma. It is likewise Oklahoma's greatest scenic and recreational area. This year close to 1 million people have already used its invigorating mountains and scenic valleys for relaxation, picnicking, fishing—1,200 fishermen a week—camping, hiking, mountain climbing, and viewing the big-game herds of buffalo, elk, deer, and lesser species, such as wild turkey, quail, squirrels, and other small game. The most important preservation herd of the original Texas long-horned steer is maintained here by the Fish and Wildlife Service. The area wanted by the Army is the most important watershed in the refuge, supplying the water for the many swimming and fishing lakes and for the luxuriant stand of prairie shortgrass on which the herds wax fat.

The proposed firing of the atomic cannon and the 722 millimeter corporal rocket here will aggravate the existing fire hazard, which is a serious threat from July 1 of each year. The above firing on the refuge area will speedily burn over the mountain area of 10,700 acres being taken over by the Army. The Service, on the basis of its past experience, feels that the fires cannot be controlled in the mountain and that they will sweep through both the recreational grounds and the big-game pasture. It should be noted that approximately half of the refuge's recreational area will be involved in this transfer.

Many species of plant life and several species of birds are found in Oklahoma only on the refuge lands.

The proposal of the Army is totally unnecessary. The service has suggested a compromise plan whereby they would close the lower two tiers of sections across the south portion of the refuge as a

buffer area when the Army is firing its big cannons. The public would be kept out of the area during that period, but allowed to use this most fascinating portion of the refuge when no firing was taking place.

During World War II and since, the Army had under permit from the service 35,000 acres from the refuge for maneuvers. They complied with the terms of the permit thoroughly, and the best of cooperation existed between the Fort Sill authorities and the refuge manager. Except for some damage to roads by heavy equipment, the Army exercised its permit without damage to the refuge. This permit could be continued indefinitely and, with the addition of the buffer area that the service is prepared to close when the guns are fired, would in the service's opinion meet the immediate needs of the Army at this point. This is especially true if the Army buys the private land as announced. However, to our knowledge the Army made no effort to investigate the alternate plan offered by the service.

During the past 15 years the Service has had to permit Fort Sill to emplace some of its biggest guns on the refuge so that they could be fired and the shells land on Fort Sill's impact areas. This was necessary all during World War II. The Service in the present controversy has offered to provide Fort Sill authorities with a larger gun emplacement anywhere on this 10,700 acres on which they can fire the big guns and rockets contemplated and land the shells on Fort Sill proper. The Army did not investigate this plan at all. Apparently the invasion of the Wichita Refuge is part of a general plan on the part of the Army to move in on the national wildlife refuge program. It would appear that the large areas of wildlife land which the Service has set aside for preserving disappearing big-game herds are particularly attractive to the Army authorities for their testing and training purposes. The Air Force has recently informed the Service that instead of their present firing permit on the Desert Game Range in Nevada, they want to take over primary jurisdiction. This would close the door on the wildlife interests of the area. Likewise, the Army has asked for three-fourths of the Kofa Game Range in southwestern Arizona, the home of the remnant Galliard mountain sheep, for use in testing poisonous gas on a battle-front scale. It takes little or no imagination to perceive what will happen to the resident Galliard sheep, mule deer, white-winged doves, and pygmy antelope and many other interesting species if this comes about.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to call attention to the serious cut in funds for the White House Conference on Education being proposed by the committee. Only \$50,-

000 has been recommended out of \$238,000 requested for this purpose.

I should like to point out to the House that the committee decision on the funds for the White House Conference was apparently based on a misconstruction of facts. Let me quote the committee statement:

Salaries and expenses, White House Conference on Education: The committee has allowed \$50,000 of the request for \$238,000. The request included \$170,000 to provide travel funds for 1,700 of the 2,000 delegates expected to attend the White House Conference on Education. The additional \$68,000 was for Federal staff costs in connection with the Conference. The committee was informed that the legislation which authorized the White House Conference on Education does not authorize the use of Federal funds for the travel expenses of delegates to the conference. Therefore, no funds for travel expenses of the delegates are included in the bill.

I have, and I should like to read, the opinion of counsel that there does exist adequate authority to spend funds for the transportation of delegates from the States. Mr. Parke Banta, General Counsel for the Department of Health, Education, and Welfare, describes the situation as follows:

Public Law 530 authorizes appropriations to enable the President to hold in Washington, D. C., "a conference broadly representative of educators and other interested citizens from all parts of the Nation, to be called the White House Conference on Education, to consider and report to the President on significant and pressing problems in the field of education."

Section 2 of the act authorizes grants to States for the purpose of bringing together "prior to the White House Conference on Education, educators and other interested citizens to discuss educational problems in the State and make recommendations for appropriate action to be taken at local, State, and Federal levels."

Section 3 rounds out the picture by authorizing "to be appropriated to the Commissioner of Education for the fiscal years ending June 30, 1955, and June 30, 1956, such sums as Congress determines to be necessary for the administration of this act, including the expenses of the Office of Education in making available to the public the findings and recommendations of the Conference."

There is, of course, no specific reference to payment of travel costs contained in Public Law 530. There is, however, specific authority to hold a conference in Washington, D. C., to be attended by individuals "from all parts of the Nation," coupled with a specific authorization for appropriations "necessary for the administration of this act." As was pointed out in the testimony before the Subcommittee of the Committee on Appropriations of the House of Representatives, hearings before subcommittees of the Committee on Appropriations, House of Representatives, 84th Congress, 1st session, page 608 et seq., it is essential to the achievement of the broad representation contemplated by the act that funds for transportation costs be available. Certainly, the Congress must have intended that such expenses be paid, since it would not be reasonable to expect those individuals chosen to advise the President to attend at their own expense; indeed, many, even though willing to do so, could not afford it.

In view of the foregoing it is our opinion that Public Law 530, 83d Congress, when read as a whole and in the context of its general purpose to bring together in Washington, D. C., a "broadly representative" group of individuals "to consider and report to the

President on significant and pressing problems in the field of education," can and should be construed as authorizing appropriations to pay the travel costs of persons officially invited to attend the conference.

I am sure it is not the intent of this Congress to torpedo the biggest and most important program on education in history.

We in this House, by Public Law 530, 83d Congress, authorized the State and White House Conferences. We cannot scuttle the program at this point. Even if no action is taken here today to rescue this program, perhaps action can be taken by the other body.

The 83d Congress required that the White House Conference be "broadly representative of educators and other interested citizens from all parts of the Nation." Without funds to pay travel expenses of the participants, the intent of Congress will not be achieved.

Without such funds, those who reside in the Washington area may be expected to attend. So, too, will those who have the funds and the time. Finally we may expect representatives of various organizations which are well financed and deeply committed to preconceived points of view. To draw only from these three groups, I think we can agree, will mean that the White House Conference will not be broadly representative, contrary to the expressed intent of Congress.

In establishing the State and White House Conferences on Education, the Congress set in motion a citizen study of education in all 53 States and Territories. Literally tens of thousands of people are taking part in this program. By denying the funds with which these States may send their designated representatives to Washington to take part in the White House Conference, we would be, in effect, scuttling the program which Congress inaugurated by passing this law.

There are no other funds which can be used to bring to the White House Conference the people who would constitute a broad national representation from all parts of the country. We need that kind of representation.

The chairman of the White House Conference on Education committee, Neil H. McElroy, has stated in a recent letter to Mrs. Hobby the committee's position as follows:

The committee does not want to hold a conference which, because of lack of funds to pay travel expenses of participants, is attended primarily by persons residing near Washington, by representatives of organizations who may wish to use the conference as a national sounding board, and others who for personal reasons alone desire to be part of the White House Conference. We consider that participation of this kind would represent failure of the requirement placed upon us that the Conference be broadly representative of educators and other interested citizens from all parts of the Nation.

The President's committee has reviewed this matter very carefully and believes unambiguously that balanced representation is an essential element of the White House Conference. The administration strongly supports these recommendations of the President's committee for the White House Conference.

Some might say that expenses of participants to the White House Conference

should be paid by the States. Let me make two points:

First, the White House Conference is not a State meeting, but a national meeting which we in this Congress authorized and to which we wanted citizens to come. Second, a poll of 45 States indicates that only 1 State has both the State funds and authority within State law to pay the travel costs of representatives to the White House Conference. For the first time we have the opportunity here to find out what the American public wishes to be done. If we deny this conference, we have denied the voices of those whose only interest is the public interest. This is not a partisan program. State conferences have been called by the governors, 27 of whom are Democrats and 21 Republicans.

Let me give you some examples of where these funds will go. They are not to send Federal employees to the States, they are to bring representative citizens from the States to Washington. For example, California would be asked to send 98 persons chosen in California. The travel expense is more than \$23,000. New York would have 123 participants whose travel cost is almost \$6,000. Texas would have 67 representatives; Ohio, 68; Illinois, 73; Washington State, 20, etc.

Is it reasonable to assume that in order to advise on solutions to the Nation's school problems that California, Florida, Montana, and the other States distant from Washington should be required to spend more money to give this information to the Federal Government than those States immediately surrounding the District of Columbia?

The money requested is \$170,000. It is for the payment of travel expense only. It does not include funds for hotel rooms, meals, and other expenses of participants. The participants at the White House Conference are willing to pay these expenses, but they should not be expected to pay also the cost of travel to and from a meeting which was authorized by the Congress of the United States.

What are we to tell our people at home if we say to them, "we are not sufficiently interested in your opinion on school problems that we would vote to share with you your expense in taking part in this national conference?"

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. DEANE. Mr. Chairman, as a member of the Air Force Panel of the Department of Defense appropriation bill I am impressed with the total dollars appropriated by the Department of the Air Force. I point out that the Army is receiving \$483,612,000; the Navy \$439,950,000, a total of \$923,562,000. While the Air Force is receiving under this appropriation bill \$955,929,000. Thus you see Mr. Chairman a heavy responsibility rests upon the Air Force to consider a wise use of the dollars herein recommended.

Mr. Chairman, the Air Force panel is chairmanned by the distinguished gentleman from Texas [Mr. MAHON]; other members include the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Kansas [Mr. SCRIVNER], and the gentleman from Wisconsin [Mr. DAVIS]. Your panel was faced with a serious problem in the amount of time needed to consider an appropriation bill of this size.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman is pointing out the very significant fact that in view of the fact that the budget estimate came down so late we were not able to do the thorough job we want to do. For a number of years we have had this problem, but I am persuaded to believe that the Assistant Secretary of Defense for Installations is correct in assuring us that they will come much earlier next year.

I would like to say that the gentleman from North Carolina [Mr. DEANE] who is now addressing the committee made a very substantial contribution to this bill. He presided most of the time over the Air Force panel and he did a good job. I think the House would want to know of the conscientious effort he made in that regard. Other Members working on the full subcommittee and on other panels, of course, also made a contribution, but I did want to refer to the particular contribution of the gentleman from North Carolina.

Mr. DEANE. Mr. Chairman, I thank the gentleman. I feel the House owes a great debt of gratitude to the gentleman from Kansas [Mr. SCRIVNER] who served as chairman of this committee in the last Congress. The gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Wisconsin [Mr. DAVIS] each made a significant contribution.

Each member of the committee holds certain convictions about the committee work. We urgently need an enlarged staff. Our executive secretary, Sam Crosby, has served with distinction. The chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON] has indicated that any time we feel there is need for additional staff, if we will make the request, it will be granted. I trust that next year we will have the staff that is necessary to adequately go into the many ramifications of this military construction program.

Mr. Chairman, the military construction program of the Air Force was presented chiefly by Maj. Gen. L. B. Washbourne, Assistant Chief of Staff for Installations, and Brig. Gen. J. F. Rodenhauser, Director of Real Property for the Department of the Air Force.

The overall public-works program of the Air Force was outlined to the committee by General Washbourne and the detailed justification, base by base, was the duty and responsibility of General Rodenhauser and specialized witnesses associated with General Rodenhauser. I was impressed with the sincerity of all of these witnesses. In most all instances

they were conversant with the problems facing the Air Force panel. There were a few glaring examples where witnesses were asked to testify who had only recently been brought into administrative jobs and who were sadly lacking in the information needed by the committee.

NEED OF CONTINUED LIAISON

Mr. Chairman, my service on the Air Force panel reveals the urgent need of keeping operational officers in a spot long enough that they can give intelligent answers which must be a part of the record if the program is to have the proper support by your committee.

This gives me real concern. Several witnesses appeared before our committee who had only recently been brought from the field and placed in administrative positions to justify a budget that they knew very little about.

It was not the fault of the officers. The responsibility must rest upon individuals in the Pentagon for requiring an officer to be placed in such a position.

BRIG. GEN. J. F. RODENHAUSER, DIRECTOR OF REAL PROPERTY FOR THE DEPARTMENT OF THE AIR FORCE

Mr. Chairman, I want to particularly express my appreciation to General Rodenhauser, Director of Real Property, the principal witness before our Air Force panel on the base-by-base justification.

General Rodenhauser has served in headquarters, Army Service Forces, and headquarters, United States Air Force, since June 1944, with appropriate breaks for service outside the Washington area. On his current tour beginning in 1951, he has served as Director of Real Property, and in similar capacities, in the Assistant Chief of Staff, Installations, Headquarters, United States Air Force. In this capacity he has been responsible for the procurement, development, and issuance of military construction program guidance; for the assembly, validation, and defense of military construction programs; for the selection and planning of installations world wide; for validation of qualitative and quantitative requirements for installations facilities; for inventory of real property; for real estate acquisition and disposal actions; and for management of real property utilization.

General Rodenhauser made his initial presentations of military-construction programs to the congressional committees beginning with the fiscal year 1954 military construction program. Since that time he has presented each subsequent program, including the fiscal year 1956 military construction program.

General Rodenhauser has completed his present tour in the Washington area and is being assigned for overseas duty, to the North Atlantic Treaty Organization.

I feel I speak for our Air Force panel in expressing our appreciation for the faithful and constructive service of General Rodenhauser and wish for him a successful tour of duty in his new assignment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. GROSS. A report is being circulated that there may be in this bill funds for construction of two hotels in Germany for service personnel. Does the gentleman have any knowledge of any such appropriation?

Mr. DEANE. I would suggest to the gentleman that so far as the Air Force is concerned, if he will look at pages 27, 28, 29, 30, and 31, of the committee report he will see the items that are appropriated for the Air Force.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. RABAUT. Mr. Chairman, I yield 3 additional minutes to the gentleman from North Carolina [Mr. DEANE].

THE OVERALL AIR FORCE CONSTRUCTION REQUIREMENTS FOR FISCAL YEAR 1956

Mr. DEANE. As a part of my remarks, Mr. Chairman, I would like to place in the record the overall Air Force construction requirements for fiscal year 1956 which were given to the committee by General Washbourne.

Mr. Chairman, we must keep in mind that the objective of the base construction program of the Department of the Air Force is to support 137-wing force level.

As I quote below from the statement by General Washbourne, you will keep in mind, Mr. Chairman, that the dollar amounts for the various programs, as indicated, are not the amounts finally approved by the Air Force panel. It was the feeling of the committee that by a careful analysis of all construction contracts that the amounts indicated by General Washbourne could be considerably reduced. The committee could be in error. On the other hand, we felt that the Department of the Air Force should attempt to shape the figures as indicated below to conform to the overall final appropriated dollars.

Your Air Force panel received the following information concerning the number of bases, construction objectives, program summary, and command distribution:

NUMBER OF BASES

The Air Force will, by the end of 1957, have a base structure consisting of 346 principal operational, training, logistic, and research installations which are required to operate and support the 137-wing force; 186 of these installations are in continental United States and 160 are in overseas locations. Excluded from these totals are over 2,000 ancillary installations such as communications sites, navigational aids, radar stations, and classified locations. This bill includes construction at 255 of the principal bases, 152 of which are in continental United States, and 103 are overseas. In addition, it provides funds for construction of Reserve Forces facilities at 18 flying training bases and at 25 nonflying training centers; the construction of offbase navigation aids; area POL systems; aircraft control and warning system sites; and facilities at classified locations, all details of which will be provided during discussion of the appropriation request.

CONSTRUCTION OBJECTIVES

The construction objective of the Air Force is to have the facilities for sustained operations of the 137-wing force in place by end of fiscal year 1957. This involves, first of all, the provision of bases to "bed down" the force in locations at which it can train

and attain full operational capability and from which it could launch defensive and offensive operations. To accomplish this goal the principal remaining requirements are:

(a) Operational, staging, and training requirements for the new long-range heavy bomber, the B-52, being phased into the SAC striking forces.

(b) Development and expansion of the air-defense net, including warning sites in the United States and Canada and fighter-interceptor bases.

(c) Family housing.

(d) Aircraft-fuel storage.

(e) Guided missile and pilotless aircraft facilities.

(f) Research and development projects, including development of nuclear-powered aircraft.

(g) Phased development of the base complex in Spain.

(h) Air Force Academy.

(i) Facilities for bases deferred from previous programs due to lack of base rights.

(j) Reserve forces facilities.

(k) Replacement of deteriorated, obsolete, and substandard temporary structures with initial emphasis on medical facilities, dormitories, and dining halls.

(l) Personnel and recreational facilities.

In meeting our objective to provide a permanent home for the 137-wing force, we have been, and are, constantly striving to improve standards of living and operational facilities within the limits of prudent expenditures. We plan to construct under this program facilities of durable, long-life usage comparable to good, commercial practice. The projects are priced accordingly. We believe this to be necessary to achieve minimum cost of maintenance for the extended period of time it is now anticipated we will need a 137-wing base structure.

PROGRAM SUMMARY

The Air Force fiscal year 1956 appropriation request is summarized on the first chart.

CHART No. 1—Summary of Air Force fiscal year 1956 military construction appropriation request

	In thousands
Continental United States.....	\$929,113
Outside continental United States.....	453,212
Minor construction.....	20,000
Planning.....	32,331
Total program.....	1,434,656
Less:	
Peseta counterpart funds.....	\$2,000
Unforeseeable delays.....	232,656
	234,656
Total appropriation request.....	1,200,000

As explained earlier, the Air Force is requesting approval of a program totaling approximately \$1,434,000,000. Of this amount 65 percent, or \$929,113,000, are for projects in continental United States. Thirty-two percent of the total, or \$453,212,000, is for overseas locations. The \$20 million for minor construction provides for the construction of facilities which fall within the statutory limitations of section 707, Public Law 458, 83d Congress, and which have not been provided by specific authorizing legislation. The \$32,331,000 for planning will provide those funds which will be needed in fiscal year 1956 for base master planning, investigational engineering, advanced planning of projects not yet authorized by law, and for project planning of authorized projects which have not been funded. The appropriations being requested to finance the program of \$1.4 billion amount to \$1.2 billion, or \$234,656,000 less than the program. This reduction has been made by consideration of the anticipated availability of \$2

million of peseta counterpart funds for base construction in Spain and by allowing for possible unforeseen delays in the overall construction program in the amount of \$232,656,000.

COMMAND DISTRIBUTION

The next chart indicates the distribution of the program by Air Force commands:

CHART No. 2.—Command distribution of Air Force, fiscal year 1956 military construction appropriation program

	Amount	Percent of total
(Dollars in thousands)		
Continental United States:		
Strategic Air Command.....	\$261,140	18.2
Aircraft Control and Warning System.....	122,192	8.5
Air Defense Command.....	113,455	7.9
Air Research and Development Command.....	90,730	6.3
Air Materiel Command.....	82,076	5.7
Air Force Academy.....	76,478	5.3
Tactical Air Command.....	58,546	4.1
Air Training Command.....	82,720	3.7
Continental Air Command (Reserve).....	31,598	2.2
Military Air Transport Service.....	22,837	1.6
Air Proving Ground Command.....	7,803	.5
Continental Air Command (Regular).....	5,605	.4
Air University.....	2,036	.2
Headquarters Command.....	520	.1
Various.....	387	.1
Total, continental United States.....	929,113	64.7
Outside continental United States:		
USAF Europe.....	222,962	15.5
Aircraft Control and Warning System.....	105,983	7.4
Strategic Air Command.....	37,026	2.6
Alaskan Air Command.....	28,829	2.0
Northeast Air Command.....	23,601	1.6
Military Air Transport Service.....	19,847	1.4
Far East Air Force.....	14,082	1.0
Communications and NAV-AIDS.....	526	.1
Various.....	263	.1
Caribbean Air Command.....	163	.1
Total, outside continental United States.....	453,212	31.6
Minor construction.....	20,000	1.4
Planning.....	32,331	2.3
Total program.....	1,434,656	100.0

Mr. Chairman, there are two significant programs of the Air Force that I desire to mention.

DEW

I call your attention, Mr. Chairman, to the so-called distant early warning line, commonly referred to as DEW. Through 1957, we are going to spend on this line \$268 million. DEW has evolved through these steps:

During the summer of 1952 considerable study was underway to determine the requirements for and the means of providing early warning of air attack for the continental United States. Agencies such as the Department of Defense, the National Security Resources Board, the Federal Civil Defense Administration, the Lincoln laboratories, and others were involved in various aspects of the problem. Inevitably two big questions emerged from these studies. Both involved time: "How much time do we need" and "how much time can we get?"

There is no single statement of how much time is needed. The warning time required for effective civil defense in one city is different from that required in another. The warning time required by one military force differs from the requirements of another. The time of day, the weather conditions, the seasons

of the year, all have a direct bearing on the amount of warning time needed.

The answer to the question of "How much time can we get" can be more specific. One group of prominent scientists and technicians serving as the Lincoln summary study group concluded that it was technically and economically feasible to install a detection system in the Arctic which would provide from 3 to 6 hours' warning of air attack. This chart illustrates what that means geographically.

Each of these lines depicts a possible route of a 450-knot bomber toward a specific target in the United States. Take this route toward Minneapolis as an example. If we could be satisfied with 1 hour warning of attacks against the Minneapolis area, a detection system placed approximately 450 nautical miles north of the city would suffice. On the other hand, such a system would provide Winnipeg about 20 minutes warning. If we need 3 hours of warning of attacks on Minneapolis, our detection system would have to be about 1,350 miles north. If the speed of the bomber increases, we have to go farther north with our detection system in order to provide the same amount of time. The warning time will differ according to the target selected, the route flown by the bomber to the target, and the speed of the bomber.

As a result of these activities and interest in the development of a warning system in the north, the President authorized the release of a statement of policy on the 31st of December 1952, which stated in part "such an early warning system should be developed and made operational as a matter of high urgency." Mr. Lovett, then the Secretary of Defense, requested the American Telephone & Telegraph Co. to undertake the task of developing and testing communication and electronic equipment and techniques which would make possible the operation of an early warning system in the far north. Subsequently a contract was let with the Western Electric Co. to install and operate a test warning system in northeast Alaska and northwest Canada. In February 1953, agreements had been completed with the Canadian Government for the installation of the test stations. By November 1953 the sites were completed and the development program was underway.

In February of 1954, the National Security Council again directed that a distant early warning system be established as soon as proven feasible by the testing program that was being conducted in the north. By late summer of 1954, the equipment and techniques being tested showed sufficient promise to enable Air Force to start action to implement a complete system.

The Joint Chiefs of Staff, acting on a study prepared by the representatives of Canadian and United States Air Forces, approved the location of the entire distant early warning system. The land-based segment, with which we are concerned today, generally lies along the most northerly practicable part of the North American Continent. The line

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will be made up of radar stations located so as to assure detection of any aircraft crossing the line. In addition to operating detection equipment the DEW line stations are linked together with a communications system which makes possible direct contact with the air defense headquarters of the Alaskan Air Command, the Royal Canadian Air Defense Forces, the Northeast Air Command, and the Air Defense Command in the United States.

Following the decision on the location for the line, a contract was let with the Western Electric Co. in November 1954 to proceed with the installation of the facilities. The Air Force and the Department of Defense established a management fund to finance the project. The first increment of money into the management fund totaled \$79.1 million of which \$42 million was for construction. A distant early warning project office was formed to manage the contract with the Western Electric Co. Personnel from the Air Materiel Command, the Continental Air Defense Command, the Air Research and Development Command, the Air Force Installation Representative in the North Atlantic Area, and the Royal Canadian Air Force man the office.

Western Electric has let contracts for the actual construction to three major construction firms. The Puget Sound Bridge & Dredging Co. and Johnson, Drake & Pipe, Inc., of Seattle, Wash., have the job for the western portion of the line. Northern Construction Co. and J. W. Stewart, Ltd., of Vancouver, British Columbia, are doing the construction in the central portion. Foundation Co. of Canada, Ltd., of Montreal, Quebec, has the job in the eastern section.

The movement of men and materials to the line has been and will continue to be a major undertaking. There are four major methods of transportation involved. We have used airlift and "cat" train operations during the winter months. This summer sea transports in the Atlantic and Pacific and barge traffic down the MacKenzie River will be used. In order to get the line in and operating at the earliest possible date, the airlift had to be started immediately. By January 1954, commercial aviation companies of the United States and Canada, augmented with military aircraft of the USAF and the RCAF were starting to move a mountain of materials to the north. Our objectives were to move 8,000 tons to the western section, 10,500 tons to the central section, and 11,600 tons to the eastern section before the ice broke up this spring. When it is considered that there were no landing strips in the arctic areas concerned the magnitude of the task becomes apparent. This problem was overcome by landing small parties of men with small tractors on the sea ice with DC-3 type aircraft. The small tractors were used to level off an area long enough to permit C-119 aircraft, the "flying boxcars" of the Tactical Air Command, to land with more men and a larger tractor. The larger tractor made possible the clearing of a strip long enough for C-124's to land

which brought in D-8 "cats." With the heavy equipment the strips could be kept open for a flow of aircraft bringing in men, supplies, and construction materials. Aircraft weighing as much as 168,000 pounds were landed on these strips of leveled sea ice. As of May 27, the combined efforts of commercial aviation companies and military squadrons had airlifted to the stations along the line, 8,444 tons in the western section, 10,601 tons in the central section, and 10,582 tons in the eastern section. The USAF alone flew over 1,100 "sorties" on trips to and from the line between February and May.

The success of the winter airlift made possible considerable progress in the construction of the facilities at the various sites. As of May 27 all the sites have been surveyed and detailed plans completed. Gravel hauls are progressing on schedule. Many foundations are in and some of the buildings are up and are being lived in. Many new techniques have made possible this exceptional progress. Many of the foundations are being put in by using steam jets to thaw holes in the permafrost for piling. In other areas we are using power augers to drill holes through the frozen tundra and gravel typical of the region. The buildings are made of prefabricated plywood panels and are set well above the ground. This permits the wind to sweep under the buildings, thus preventing the accumulation of large snowdrifts. Work is progressing on the preparation of gravel airstrips which will make future airlift to the sites a much more simple job than that we experienced this last winter and spring.

I would like now to answer the big question of how much? How much, in manpower and in money.

The Air Force is now studying two major proposals concerning manning the line. Although no decision has been reached on this matter to date, the question is whether to use a civilian contractor to operate and maintain the equipment with a small group of military officers to make military decisions, or to use military personnel throughout. There are a number of good points for both proposals.

The dollar costs of the line can be more specific. As indicated earlier, the project was started with an initial fund of \$79.1 million. Of that amount, 42 million was for construction. On May 31 an additional 23 million was added for construction. At the present time there is an additional 6.5 million for construction awaiting approval of the Bureau of the Budget. This latest addition will bring the total expended in fiscal year 1955 to 108.6 million, of which 71.5 million is for construction.

The fiscal year 1956 budget request contains a total of 104.78 million for the DEW project. Of this amount, 7.02 million is for procurement other than aircraft, 10.76 million is for maintenance and operations, costs, and 87 million is for construction.

The fiscal year 1955 funds of 108.6 million, plus the fiscal year 1956 estimate of 104.78 million brings the total to 213.38 million. While a detailed esti-

mate is not available at this time, we believe the fiscal year 1957 requirement will be about 55 million. The 3-year total for this portion of the DEW line will be about 268 million.

After you detect the aircraft, what are you going to do about it?

SAGE

The next program is referred to as the semiautomatic ground environment commonly referred to in the service as SAGE. It staggers the imagination when you think that that program is going to ultimately cost \$1,056,000,000. That is the capital cost.

SAGE is the abbreviated short title for semiautomatic ground environment. The system was formerly known as the Lincoln transition system.

The SAGE system is that portion of the air defense system that provides the means for the semiautomatic processing of data and weapon control. It consists of:

(a) Those facilities required to process and transmit air surveillance data from existing and planned data gathering sources to the SAGE direction center.

(b) The direction center where air surveillance data, by means of electronic computers is processed, evaluated, and developed into air situations at subsector level from which threat evaluation, weapons assignment, and appropriate weapons guidance orders are generated.

(c) Those facilities required to transmit situation data from direction centers to combat centers.

(d) The combat centers, where data from the direction centers, by means of electronic computers is processed, evaluated, and developed into sector level air situations so that the utilization of weapon resources can be monitored and directed.

(e) Those facilities required to transmit instructions from combat centers to direction centers.

(f) Those facilities required to transmit the output data from combat centers to direction centers to the appropriate user, such as adjacent direction centers, combat centers, data-line transmitters, CAA and AA facilities.

Those facilities included in or directly associated with the SAGE program include such items as: Operation-building, fuel storage, power and air-conditioning plant, communication, external and internal, for the automatic transmission of information from data-gathering sources to the direction centers and cross telling between direction centers and the combat centers.

It also includes such support facilities as: Administrative facilities, officers' quarters, airmen's and officers' messing and recreation, post exchange, auto maintenance, installation administration and shops, supply warehousing, utilities and heating, security facilities, officer and airmen family housing.

These are typical support facilities. Quantitative requirements will vary with each location depending upon availability of existing facilities.

Parts of the existing and/or programmed air defense system feed into the SAGE system.

These may include such items as gap filler radars, long-range radars and their associated height finders, airborne early warning and control aircraft, picket ships, Texas towers, air route traffic control centers, weather facilities, interceptor bases, GOC filter centers, civil defense, the anti-aircraft operation center and its associated weapons, such as Nike and AA guns, missile-launching bases, and the radio facilities through which guidance instructions are given to the manned interceptors and missiles.

The requirements for SAGE stems from the need to improve the present air-defense system in light of an enemy threat so that we can reduce the time required to gather data, evaluate it, and reach a decision. This would permit us to attain a high kill capability for the related weapons systems. The Air Force must be capable of coping with any potential threat to this country.

SAGE introduces the semiautomatic data-processing and weapons control improvement which will provide the air-defense system with the capability to conduct the air battle effectively and flexibly.

The air defense of the continental United States is a responsibility of the commander in chief, Continental Air Defense Command. The prime concern of CONAD is the protection of retaliatory forces, population, natural resources, and industrial potential against any initial or sustained attack by hostile forces. This defense must be sufficiently effective to counterattack and assure the eventual successful conclusion of war.

In order to carry out its assigned mission, CONAD has assigned certain air-defense tasks to subordinate echelons. Responsibility for these tasks apply geographically as well as operationally. The organizational structure of the force of each service which forms CONAD vary; however, the operational arrangement applies for the complete air-defense system.

The highest echelon of command is the Continental Air Defense Command with headquarters at Colorado Springs, Colo. CONAD will operate a combat operations center and exercise general and overall battle supervision over the lower echelons of command.

Next is the Joint Air Defense Force. There will be three Joint Air Defense Forces—Eastern, Central, and Western—as in the present Air Defense structure. Each joint Air Defense Force will also operate a combat operations center for general supervision of the air battle within its area of assigned responsibility.

The Joint Air Defense Division, or Sector, is the next level of command in our Air Defense structure. At this location the Combat Center will be equipped with semiautomatic equipment.

The next level in our operational structure is the Joint Air Defense Wing whose area of responsibility is called a subsector. The direction center at this level will be equipped with an electronic computer arrangement. It is at this level that the air battle will be directed. Under the operational control of the subsector commander there will be manned

interceptors, unmanned interceptors, long-range radars, gap-filler radars, picket vessels, Texas towers, AEW and C aircraft and AAOC's.

The direction center is an installation equipped with a combat direction-control computer. The increased capability of this system represents a tremendous gain in capacity over the present system. Radar data and other information are transmitted over communication lines to the computer where in combination with the human crew it processes the radar data and other air-situation information, performs identifications, and directs weapons.

Search radars, beacons, and height finders and Texas towers automatically report the positions of aircraft over the data circuits to the direction center. Mappers and moving-target indicators remove false data caused by stationary objects, clouds, and so forth, before the wanted radar returns are fed to the direction center.

Target data from airborne early warning airplanes, picket ships, ground observers, and other auxiliary data such as weather reports enter the computer by the way of machine-punched cards. Data from other direction centers and the combat center feed via data circuits to the direction center. The computer takes the data and makes correlate with previous data, and prepares displays to be shown to operators. The human operators monitor the computer operation, determine the identity of aircraft, and assign weapons. The type of weapon selected and assigned to targets, whether manned or unmanned interceptor missiles, will be as the situation dictates. After the operator has made his decision this decision will be made known to the computer via manual inputs. The computer then prepares weapons commands and summary reports and makes distribution via automatic data links to weapon sites, interceptors, and other centers. There are between 475 and 575 personnel, officers, airmen, and civilians required to operate and supervise all the functions carried on at the subsector. It is estimated that between 500 and 900 leased communications circuits are required in each subsector. The total number will vary with the number and types of installations within each subsector.

No longer will it be necessary for people to scan scopes for initial radar returns nor to pass this information over slow voice communications to other humans. This will be done automatically by new techniques such as slowed-down video and fine-grain data. Humans, however, will monitor the functioning of the equipment. The processing of data and the generation of filtered display is also accomplished automatically, and again personnel will perform primarily a monitoring function. Instructions will be automatically transmitted by the computer via data link to the appropriate users. This high degree of automaticity will do much to reduce the human errors now inherent in the present system.

In order to accomplish a program of this magnitude, unprecedented actions

were required and will continue to be required until the complete system is installed and operating. To achieve this the Air Force has negotiated a contract with the Western Electric Co. to provide the assistance necessary to assure successful evolution and integration of the SAGE system. Specifically, the tasks consist of:

(a) The design and construction of the technical buildings and related facilities at the direction center and combat center sites.

(b) Services essential for systemwide administration, coordination, test, and training schedules.

It is estimated that the SAGE system will cost somewhere in the neighborhood of \$1,086,000,000 and annual operating cost will be approximately \$400 million.

In fiscal year 1954, \$44.07 million was spent.

In fiscal year 1955, \$144.07 million was obligated, and the Air Force requires \$282.12 million in fiscal year 1956.

After SAGE is installed it will cost \$300 million to \$400 million annually for operation.

MID-CANADA LINE

Mr. Chairman, our friends to the north, Canada, are responsible for and are assuming the total cost of the so-called Mid-Canada Line.

Mr. Chairman, if you will refer to pages 32 and 33 of the committee report, you will see the deletions and reductions which our chairman the gentleman from Texas (Mr. MAHON) has described. Each of the services, including the Air Force, indicated there was some 15 to 16 percent slippage. To that extent, plus deletions, your committee felt a reduction was required.

HOW THE AIR FORCE PROPOSED TO SPEND CONSTRUCTION DOLLARS

Mr. Chairman, I think it is of importance that the Congress be generally familiar on how the Department of the Air Force proposes to spend the dollars we appropriate.

Earlier I indicated that the Air Force panel, supported by the entire Defense Appropriation Committee, made a down-the-line reduction in each program outlined below.

The program of the Department of the Air Force was changed to this extent as indicated in our report.

DELETIONS AND REDUCTIONS

Funds for hospital facilities at the Lincoln Air Force Base have been deleted pending a decision regarding use of the existing veterans hospital near this base.

The committee feels that swimming pools are a very desirable recreational and training facility, but the Department failed to explain the need for more than one such installation as proposed at a number of bases. Accordingly, second pools at Hunter, Lake Charles, Travis, and England Air Force Bases have been eliminated.

All new funds for construction of the Air Academy are withheld, and it is the committee's wish that no construction whatsoever be started using previously appropriated funds until a further specific request for construction money has been approved by the committee. The committee and individual Members of

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Congress have received a great deal of adverse comment on the recently publicized preliminary designs of the Academy and feel strongly that it would be most unwise to provide funds for construction until the design is more firmly established. The new Academy should reflect the best traditions in American architecture; the design should inspire the confidence and respect of the American people. It is suggested that the Secretary consult with the Commission of Fine Arts before accepting a proposed design for this national institution.

For fiscal 1956 the Department has requested a new item for this appropriation under the heading Minor Construction. Such work has previously been done with maintenance and operations funds. The committee is approving this request but with the understanding that the Department will submit quarterly reports on projects undertaken with these funds. Such reports should include a description of the project, the total estimated cost and funds allocated during the quarter.

On the overseas portion of the program the committee has reduced requested funds on the basis that the Department will not be ready to go ahead with part of the program during fiscal 1956. Some small reductions were made to trim the excessive square foot cost of a cold storage facility at Hickam Air Force Base, T. H., and to eliminate a proposed exchange sales store at Keflavik, Iceland.

Specific deletions and reductions are as follows:

Installation	Amount
Buckingham WPS Center, Fla.	\$11,577,000
Duluth MAP, Minn.	60,000
Ent AFB, Colo.	3,015,000
Grand Forks Site, N. Dak.	5,822,000
Traverse City Area, Mich.	1,881,000
Wright-Patterson AFB, Ohio	6,000,000
Chanute AFB, Ill.	3,000
McConnell AFB, Kans.	3,000
Beale AFB, Calif.	1,928,000
St. Louis ACIC, Mo.	494,000
Biggs AFB, Tex.	890,000
Hunter AFB, Ga.	142,000
Lake Charles AFB, La.	155,000
Lincoln AFB, Nebr.	2,667,000
Travis AFB, Calif.	218,000
England AFB, La.	129,000
Air Force Academy	79,527,000
Outside Continental United States	23,346,000

Total deletions and reductions..... 137,857,000

WHAT THE AIR FORCE PROPOSED AS THE NEEDED PROGRAM TO ACHIEVE THE 137-WING FORCE

Mr. Chairman, now that I have indicated the reductions and deletions made by the Air Force panel and supported by the full Defense Appropriations Subcommittee, I think it only fair that we give the Air Force position on their needs and requirements. I now indicate what the Air Force proposed as their dollar requirements if their mission was to be completed on schedule. The following brief summary indicates the Air Force construction programs in the order of their dollar requirements as originally presented to the Air Force panel. A careful study of these program summaries will indicate how the Air Force proposes to spend the dollars we have authorized in the bill. It remains

to be seen whether or not the Air Force can project its program, as originally submitted, with the dollars we are recommending for appropriation. We hope so.

STRATEGIC AIR COMMAND

The largest portion of the continental United States program, \$261,140,000, or 18.2 percent of the total program is for the Strategic Air Command bases. Almost one-third of the SAC program is for airfield pavements, principally wider and longer runways and wider taxiways to provide capability for operation of the B-25 heavy bomber and safe sustained operation of the B-47 medium bombers of the SAC striking forces.

AIR DEFENSE COMMAND

In keeping with the emphasis upon increasing our retaliatory and air defense capabilities, the Air Defense Command has the next largest share—16.4 percent—of the continental United States program; \$122,192,000, or 8.5 percent expands and increases the facilities of the continental aircraft control and warning system, and \$113,455,000, or 7.9 percent provides additional operating facilities at fighter-interceptor bases. The ADC base program initiates construction on the two new bases Buckingham Weapons Center, Fla., and Greater Wilwaukee area, Wisconsin, and provides a second increment at the six new interceptor bases initially programmed last year.

One-third of the ADC base program is for family housing. In an emergency, immediate and maximum readiness is jeopardized by crews having to travel long distances from home to duty posts. This housing is essential not only from the personnel or welfare viewpoint but also because it will allow crews to be close to their planes and stations in the event of an all-out fight.

Over half of the aircraft control and warning system program is for expansion of the electronic communication and control system, the essential link between the warning net and the weapons systems. The program also adds facilities at existing permanent and mobile radar sites and constructs 20 new gap-filler sites. Directly tied in with the continental United States aircraft and warning program is that 7.4 percent, or \$105,883,000, shown under outside continental United States, much of which is to continue construction of the distant early warning—DEW—line across the most northerly practicable part of North America. The balance provides additional facilities at warning sites in Alaska, Canada, and other overseas locations. A security classified presentation of all of the operational aspects and status of the air-defense system is available for the committee immediately prior to line item examination of that portion of the project books.

AIR RESEARCH AND DEVELOPMENT COMMAND

The next largest segment in the United States is for the Air Research and Development Command with \$90,730,000 or 6.3 percent of the total. The research and development program provides facilities for continuing the development of nuclear powered aircraft and interconti-

mental ballistic missiles, and includes funding of approximately \$15 million of construction authorized but not financed last year for the Arnold Engineering Development Center.

AIR MATERIEL COMMAND

The Air Materiel Command program of \$82,076,000 represents 5.7 percent of the total program. Almost half of the AMC program is for airfield pavements, the major portion of which provides capacity for receiving jet-type aircraft for maintenance in the depot complex. Also included under Wright-Patterson Air Force Base are facilities for the USAF Institute of Technology and relocation of the Research and Development Command headquarters from leased property at Baltimore, Md.

AIR FORCE ACADEMY

The Air Force Academy program amounts to \$76,478,000 or 5.3 percent of the total program. As you will recall, the Air Force Academy was authorized last year by Public Law 325, 83d Congress and an initial appropriation of \$15,338,000 was also enacted. Since that time, a concerted effort has been made to develop and finalize requirements, translate these requirements into facility design, and determine the functional relationship of these facilities on the site at Colorado Springs, Colo.

Progress to date may be summarized as follows:

Interim Academy: Facilities at Lowry Air Force Base, Colo., have been modified and rehabilitated at a cost of \$1 million. The first class of 300 cadets will enter the Academy on July 11, 1955.

Permanent Academy: An intensive investigational program related to the topography, geology, climatology, environment, utilities, and construction labor and materials has virtually been completed. Based on carefully determined facility requirements, a preliminary master plan has been prepared and the architectural concept tentatively established. The basic road net and utility systems are well along in design and design of principal structures is proceeding on schedule.

From the standpoint of total cost, a program has been developed for the permanent Air Force Academy, totaling approximately \$125 million. The appropriation request being submitted for your consideration today contains those additional facilities required for the initial opening of the Academy in the fall of 1957, and for which design schedules indicate construction contracts will be let prior to July 1956.

TACTICAL AIR COMMAND

The Tactical Air Command receives \$58,546,000, or 4.1 percent of the total program, the majority of which is for airfield pavements and family housing.

AIR TRAINING COMMAND

The major portion of the Air Training Command program of \$52,720,000, 3.7 percent of the total, replaces World War II dormitories and dining halls and constructs additional family housing.

CONTINENTAL AIR COMMAND—RESERVE

Thirty-one million five hundred and ninety-eight thousand dollars, or 2.2 percent of the total program, are included

to provide for construction of facilities for the Reserve Forces at 18 flying training bases and 25 nonflying training centers.

OTHER ZI COMMANDS

The other Air Force commands in the continental United States have smaller programs percentagewise as indicated, amounting to 2.8 percent of the total.

UNITED STATES AIR FORCES—EUROPE

Over half of the overseas program \$222,962,000, or 15.5 percent of the total program, is for the United States Air Forces in Europe, that is, France, United Kingdom, Spain, French Morocco, and so forth. The Europe program consists primarily of airfield pavements, fueling facilities, and aircraft maintenance facilities to provide additional operational capability.

At one base in the United Kingdom, the Burtonwood depot, replacement is requested of the World War II quonsets being used as troop shelter. Substantial replacements of this character at other United Kingdom bases will be deferred until next year.

The program for Spain continues construction of the four phase I bases and the area POL system.

AIRCRAFT CONTROL AND WARNING SYSTEM

The second largest portion of the overseas program is the aircraft control and warning system, which was outlined above in conjunction with the air defense system of the continental United States.

STRATEGIC AIR COMMAND OVERSEAS

The SAC overseas program of \$37,026,000, or 2.6 percent of the total program, consists almost wholly of airfield pavements, aircraft fuel storage and dispensing facilities, and operational facilities required at bases in Puerto Rico and Guam to support the SAC missions.

ALASKAN AIR COMMAND

The Alaskan Air Command program of \$28,829,000, representing 2 percent of the total, consists in the main of airfield facilities to support SAC missions and the fighter interceptor units of the Alaskan defense system. The Alaska program also contains the first-phase replacement of deteriorated and substandard dormitories and dining halls.

NORTHEAST AIR COMMAND

The \$23,601,000 program for the Northeast Air Command represents 1.6 percent of the Air Force total and includes facilities at Argentia Naval Air Station to permit return to the Navy of facilities now in use by Air Force units.

MILITARY AIR TRANSPORT SERVICE OVERSEAS

The overseas program for the Military Air Transport Service of \$19,487,000, 1.4 percent of the total, encompasses bases in both the Atlantic and Pacific Ocean areas, and includes facilities to support the civil Reserve Air Fleet.

FAR EAST AIR FORCE

The smaller Far East Air Forces program of \$14,082,000, or 1 percent of the total again, as in the case of USAFE, provides principally airfield pavements, and aircraft maintenance facilities required to support operations of the command forces stationed in that theater and the strategic forces.

The balance of the overseas program includes global communications facilities at Albrook AFB in the Caribbean Air Command and special facilities and area control nav aids at various locations.

Without command identity in the Air Force appropriation request are minor construction and planning—3.7 of the total.

CATEGORIES OF CONSTRUCTION

The next chart shows by category the proposed use of the appropriations in the fiscal year 1956 program:

CHART No. 3—Category distribution of Air Force, fiscal year 1956 military construction appropriation program

(Dollars in thousands)

	Amount	Percent of total
Airfield pavements	\$272,846	19.1
Operations facilities	247,365	17.2
Family housing	168,422	11.7
Liquid fuel storage and dispensary	125,201	8.7
Aircraft maintenance facilities	105,757	7.4
Troop housing and messing	103,121	7.2
Research, development and test facilities	78,841	5.5
Utilities	61,997	4.5
Miscellaneous facilities	57,543	4.0
Storage facilities	42,473	3.0
Training facilities	42,432	3.0
Personnel facilities	40,642	2.8
Medical facilities	27,808	1.9
Administrative facilities	26,285	1.8
Communications and navigation aids	12,522	.9
Real estate	9,189	.6
Shop facilities	8,477	.6
Harbor facilities	735	.1
Total	1,434,656	100.0

An analysis of the type of facilities being requested emphasizes the highly operational nature of this program. As in preceding years, the major categories are airfield pavements, operations facilities, family housing, liquid-fuel storage, aircraft-maintenance facilities, troop housing and messing facilities, research and development and utilities. In all, these categories represent over 80 percent of the total program.

The largest single category is airfield pavements, representing 19.1 percent of the total. Almost one-third of this category is at SAC bases in the United States to provide additional runway lengths required to launch maximum-loaded medium bombers and to provide capability for operation of the B-52 heavy bomber. In addition, a major portion of the airfield pavements in the overseas program is for direct support of the SAC operation.

Operations facilities, the second largest category with 17.2 percent of the total program, consists almost wholly of facilities for the aircraft control and warning system.

The troop-housing category, which is 7.2 percent of the total program, establishes the first phase in a program for replacement of deteriorated, obsolete, and substandard theater-of-operations and mobilization-type dormitories, bachelor officers quarters, and dining halls.

The miscellaneous facilities category, 4 percent of the program, consists principally of the funds for minor construction and planning.

Though the personnel facilities category is only 2.8 percent of the total pro-

gram, it is a significant factor in our program to make the Air Force more attractive to the trained airmen and officers and induce more men to continue in the Air Force as a career.

The medical-facilities category, representing 1.9 percent of the total, includes the construction of new, or additions to, 14 hospitals, 12 infirmaries, and 21 dental clinics.

FAMILY HOUSING

Inclusion of family housing in this program, 11.7 percent of the total constitutes a milestone of tremendous importance to the Air Force. Not since 1949 have family quarters been provided in quantity at domestic bases within the annual military construction program. Last year, the Air Force's share of housing funded under Public Law 663, 83d Congress, was 2,252 units; and funds requested this year will be used to build the 4,107 authorized units not covered by current funding. Fiscal year 1956 requirements for 15,000 units were assembled for inclusion in separate legislation, but only 8,118 units are included in the authorization bill and in the appropriations request under consideration today by this committee. This makes 12,225 units for which appropriations are being requested this year in the amount of \$168,236,000; all but 60 units are on continental United States bases as indicated on the chart.

CHART No. 4—Family housing in Air Force—Fiscal year 1956 military construction appropriation program

	Number of units			
	Prior authorization	Fiscal year 1956 authorization	Total units	Amount in thousands
Continental United States:				
Strategic Air Command	994	3,384	4,378	\$59,212
Air Defense Command	1,165	1,664	2,829	38,085
Air Training Command	875	825	1,700	22,913
Tactical Air Command	210	1,187	1,397	18,922
Military Air Transport Service	455	622	1,077	14,540
Air Force Academy	403	0	403	7,737
Air Materiel Command	0	178	178	2,403
Continental Air Command	0	113	113	1,525
Air Research and Development Command	5	85	90	1,256
Continental United States total	4,107	8,058	12,165	168,593
Outside continental United States: Military Air Transport Service	0	60	60	1,643
Total new units	4,107	8,118	12,225	168,236
Modification of existing housing			(0)	186
Total				168,422

—LS.

In addition to the new units, a small amount—\$186,000—is included for the improvement of existing family housing units.

The twelve-thousand-odd units provided in this request were carefully selected in order to provide at least minimum coverage to some of the new bases coming into the program, especially where their need could not be met under provisions of other legislation. Over 70 percent of the units are allocated to the

fighting commands, that is, Strategic Air Command, Air Defense Command, and Tactical Air Command.

Mention is warranted of continuing urgent requirements to house Air Force families in the overseas garrisons.

REAL ESTATE

In the 1956 military-construction program the Air Force proposes to continue realistic real-estate land-acquisition policies; 113,338 acres, exclusive of those required for aircraft and warning sites, will cost \$8,834,000 in the continental United States. These land interests are required to develop two new air-defense installations, extend runways at existing installations, expand operational and troop-housing facilities, and acquire and develop ammunition-storage facilities. In addition, interests in 404 acres will be acquired for aircraft and warning sites at a total cost of \$214,000. The chart summarizes the land items in this program.

CHART No. 5—Land summary—Fiscal year 1956 military construction appropriation

Interest	Acres	Cost
Continental United States:		
Fee purchase.....	18,846	\$6,651,000
Clearance easement.....	20,125	1,485,000
Restrictive easement.....	2,111	390,000
Right-of-way easement.....	182	36,000
Mineral rights.....	72,074	332,000
United States subtotal.....	113,338	8,834,000
Outside continental United States:		
Fee purchase.....	128	304,000
Right-of-way.....	1	1,000
Extinguishing outstanding rights in public-domain lands.....	2,472,800	50,000
Overseas subtotal.....	2,472,929	355,000
Grand total.....	2,586,267	9,189,000

¹ Excludes land for aircraft and warning sites; fee purchase, 205 acres, at \$63,000; right-of-way easement, 199 acres, at \$151,000.

One of the important items in this program is 20,125 acres of clearance easements, at a cost of \$1,485,000, to protect

approach zones to existing airbases where large investments in runways and facilities have been made. This is the second annual increment of a long-range phased program essential to protect Air Force bases from needless obsolescence due to community buildups around them.

The acquisition of land interests at overseas bases consists principally of the purchase of land for airfield expansion at Ramey AFB in Puerto Rico and extinguishing outstanding interests in 2,472,800 acres of public domain land in Alaska, at a cost of \$50,000. Concurrently, we plan to return to the public domain approximately 807,890 acres now under Air Force jurisdiction. The land items in this program are based on the best estimates which could be obtained in advance of appropriation and represent a continuing improvement in the accuracy of our estimates over previous years.

While the total cost of real estate in this program is less than 1 percent of the total amount involved, these real-estate items are especially urgent since they are required either to provide a place for new construction or for the protection of the Government's present investment in facilities.

Mr. Chairman, the Air Force panel gave considerable thought to the family housing program. Not since 1949 has there been much if any housing provided for either branch of the service. The committee is of the opinion there is a serious deficiency in the program and to that end approximately \$150 million to \$160 million is provided in this appropriation bill for the Air Force family housing. I submit for the RECORD the following general comments as submitted to the committee on the fiscal year 1955 family housing program. It will give some idea of the background of the overall program.

The following general comments on the fiscal year 1955 family-housing program give the background of the overall program.

Comments apply to the individual items which follow:

Public Law 765, 83d Congress, dated September 1, 1954, authorized the design and construction of family housing by use of appropriated funds. The Family Housing Division initiated implementation of the program by requesting site and utility plans from the major commands for all bases included in the program. This was done in increments, the first increment being requested on September 7, 1954, and the last on September 23, 1954. Upon receipt and review by Family Housing Division, the plans were forwarded to air base planning for approval. The normal lapse of time from request of approval of site approximated 75 days.

Guidance instructions from OSD for the prosecution of the housing program were received in the Air Force by letter, dated September 14, 1954. Among other things, these instructions required that each base commander survey the housing situation in the area adjacent to his installation to determine whether or not adequate rental housing was available. A certificate of this statement of need for housing was a required attachment to the request to OSD for certification for construction. Normal time for this action was approximately 30 days. Except for special cases most bases received OSD certification in November or December 1954.

An opinion had been obtained from the office of counsel, OSD, to the effect that funds could not be expended for design prior to actual certification. Thus design could not begin prior to certification.

Upon certification of a base, a design directive is sent to the command to negotiate, sign and approve a contract with an architect-engineer. The normal time for this action is 30 days. The A-E is given 30 to 45 days to prepare preliminary plans and 60 to 75 days for final plans, specifications and cost estimates. An additional 15 days is required by the Air Force for review of plans and specifications and approximately 40 days for reproducing plans and specifications and advertising for bids. Thus the normal time from request for site plans to award of construction contract takes approximately 10 months. Delays caused by siting, acquisition of land, A-E design not meeting Air Force requirements, and consideration given to title VIII of the National Housing Act for certain bases, all add to this time.

Fiscal year 1955 appropriated fund program

Base	Number of units	Authorized cost	Design cost	Preliminary plan approved	Final plan approved	Estimated date of contract	Remarks
Beale.....	225	\$3,017,250	\$70,125			Oct. 8, 1955	Siting problem.
Clovis.....	170	2,279,700	56,200	X	X	June 15, 1955	Amount of bid, \$2,110,000; total cost, \$2,167,000.
Davis-Monthan.....	6	108,000	5,450			Sept. 4, 1955	Plans submitted by architect engineer not acceptable to Air Force.
Dow.....	300	4,023,000					Title VIII found to be impractical because of cost of construction.
Duluth.....	100	1,341,000	31,000	X		Oct. 7, 1955	OSD certification for appropriated fund housing held up until June 15, 1955, because of title IX housing in vicinity of airbase.
Fairchild.....	5	108,000	5,165	X		Aug. 15, 1955	Normal design for time span.
Gary.....	100	1,341,000	29,500	X	X	Aug. 20, 1955	Advertising for bids.
Geiger.....	50	670,500	17,703	X		Sept. 1, 1955	Advertising for bids to start July 15, 1955.
Great Falls.....	4	87,750	5,187			do.	Normal design span.
Greater Pittsburgh.....	50	670,500				Dec. 23, 1955	Preliminary plans submitted by architect-engineer not acceptable to Air Force.
Greenville.....	120	1,609,200				Dec. 12, 1955	Siting problem.
Hunter.....	5	108,000	5,076	X		Sept. 1, 1955	OSD certified May 26, 1955.
Hurlburt.....	275	3,687,750	90,000			Nov. 10, 1955	Normal design time span.
Kinross.....	90	1,206,900	35,000	X		Oct. 15, 1955	Delay caused by consideration of project under title VIII of the National Housing Act.
Kirtland.....	5	108,000	5,200	X	X	Aug. 1, 1955	Normal design time span.
Lake Charles.....	200	2,692,000	63,400			Oct. 11, 1955	Advertising for bids.
Larson.....	5	108,000	5,523	X		Aug. 15, 1955	Preliminary plans submitted by architect-engineer not acceptable to Air Force.
Lincoln.....	400	5,364,000	125,500	X		Sept. 16, 1955	Normal design time span.
Lockbourne.....	4	87,750	4,438	X	X	June 28, 1955	Do.
Loring.....	4	87,750	5,100			Oct. 22, 1955	Bids received. Contract not yet awarded.
Luke.....	125	1,676,250				Dec. 11, 1955	Preliminary plans submitted by architect-engineer not acceptable to Air Force.
Mather.....	4	87,750	4,471	X		Oct. 1, 1955	Land required.
							Normal design time span.

1955

CONGRESSIONAL RECORD — HOUSE

9041

Department of the Air Force military construction programs, fiscal year 1950 through fiscal year 1956

[Amounts in thousands]

	Fiscal year (all data as of year end)						
	1950	1951	1952	1953	1954	1955	1956 (estimated)
Authorization:							
Annual.....	\$437,331	\$1,146,909	\$2,856,433	\$1,698,975	\$253,533	\$961,552	\$1,165,453
Cumulative.....		1,584,240	4,440,673	6,139,648	6,393,181	7,354,733	8,520,186
Appropriation:							
Annual.....	104,280	1,455,648	2,224,500	1,200,000	240,776	2,640,700	1,200,000
Cumulative.....		1,649,928	3,874,428	5,074,428	5,315,204	5,955,904	7,155,904
Obligations:							
Annual.....	49,775	923,134	1,080,980	1,251,339	803,175	1,300,000	1,300,000
Cumulative.....		972,909	2,053,898	3,305,237	4,108,412	5,408,412	6,708,412
Expenditures:							
Annual.....	2,902	234,926	1,092,119	1,050,910	916,495	1,000,000	1,200,000
Cumulative.....		237,828	1,329,946	2,380,857	3,297,352	4,297,352	5,497,352
Unobligated appropriations (carryover) as of year end.....	144,505	677,019	1,820,530	1,769,191	1,206,792	547,492	447,492
Funds not obligated but committed to contracts.....	10,225	34,091	75,102	49,763	187,588	242,588	235,588

¹ Includes \$51 million for MSA (Public Law 249, 82d Cong., 1st sess.).

² Includes \$10.7 million reimbursements.

Note.—A detailed tabulation reflecting like information for each Air Force base is being forwarded under separate cover.

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. RABAUT. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. PRICE].

(Mr. PRICE asked and was given permission to revise and extend his remarks.)

Mr. PRICE. Mr. Chairman, I feel constrained to call to the attention of the House the record which is now unfolding in the matter of the Dixon-Yates contract.

The facts are these:

In the interest of national defense Congress vested extraordinary powers in the Atomic Energy Commission.

The President of the United States ordered this agency to use these extraordinary powers to execute a contract. It was alleged that this contract was necessary to supply electric power for national defense and atomic energy purposes.

It is now proven that the power contract was conceived only to meet the needs of a single municipality, totally unrelated to the AEC or the atomic energy program.

This is misrepresentation.

The President stated that the full record of the negotiations surrounding the contract would be revealed. But this was no concession. A public contract is public record. There is no excuse for concealment.

It is now proven that the record so presented was falsified and incomplete.

The details of critical negotiations and the identities of key participants were withheld.

Adolphe Wenzell, a director of the largest financial agent of utility companies in the United States, whose corporation was vitally interested in this contract, was welcomed into the inner circle of policymakers in the Government as a consultant to the Bureau of the Budget. But he occupied many roles. He participated in negotiations at the AEC, at the Budget Bureau, and perhaps elsewhere.

The President has stated that Wenzell had nothing to do with the matter.

The Director of the Budget Bureau has denied any knowledge of Wenzell's affiliation with the adverse interest of the Wall Street company.

The Chairman of the Atomic Energy Commission denied knowledge of Wenzell's Budget Bureau affiliation and stated yesterday that he only knew him as representing the Wall Street company and on this basis alone admitted him to the Government's negotiating conferences.

Wenzell has testified that he informed all parties of his dual role and expressed surprise at any concealment.

The official chronologies of both the Bureau of the Budget and of the Atomic Energy Commission failed to mention Wenzell's name and left most of the meetings he attended unrecorded.

This is deceit.

The Federal Bureau of Investigation has been granted extraordinary statutory powers in national interest. The Attorney General ordered that agency to investigate the intentions of a municipal corporation created by the chapter of a sovereign state. This was a misuse of national powers and an unconstitutional interference with state sovereignty.

Congress has created many administrative agencies, granting to them powers vested in itself and in the judiciary by the Constitution. These are the so-called quasi-legislative and quasi-judicial powers.

The Securities and Exchange Commission is one such body. In its quasi-judicial role, it acts as a court of law.

For anyone to interfere with or influence the disposition of any matter before this tribunal is as evil as interfering with a court of law or fixing a jury.

On the very day that this House of Representatives was considering legislation for the Dixon-Yates transmission line, Mr. Wenzell was to appear before the SEC. His testimony would have laid bare the record of which I speak today. It would have affected our voting.

Sherman Adams, the Presidential Assistant, contacted the Chairman of the SEC and arranged for a postponement. He interfered with that quasi-judicial proceeding, for obvious political ends.

That interference was said to be only to inform the SEC that the Government was to intervene in the matter and needed time to prepare it. In fact, the Government had already appeared in the proceedings and had counsel in attendance at all times. The proper action would have been for the Department of Justice through its attending counsel to present a petition to intervene or to stay the proceedings to the SEC hearing examiner. Furthermore, no new motion to intervene further or to stay the proceedings was ever made to the hearing examiner of the SEC. The action of the President's assistant in interfering with the orderly proceedings in a quasi-judicial hearing was fantastically improper.

I call upon Congress to examine the full details of this record; to see the perversion of its intentions and delegated powers. I say what you will find is an ugly picture.

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, the significant feature of the military construction bill is that it is for permanent installations. The significant feature of this statement is that we are dealing in this military public-works bill with what will be the permanent Army, the professional Army.

There has been much talk in this hall in the last several months about the Reserve bill, the Reserve portion; what kind of Reserve Establishment are we going to have? And everybody has been more upset about the Reserves, yet this House in its wisdom saw fit to cut the appropriations for the Regular Army. As you know, I opposed that cut in the Regular Army; I oppose it still.

We were successful in having this House reconsider its action on the Marine Corps. After cutting the Marines you were prevailed upon to change your action and to restore the cut in the Marine Corps. That judgment was sound, and you are to be complimented for it. However, I persist and insist that your judgment was and is wrong in cutting the Regular Army at this time. You will recall that you were not asked to increase it, you were not asked to add \$1, 1 gun, or 1 soldier; we asked you only to let it alone for another year.

The good thing about this bill is that it looks toward the thing that I like in the Army. I want to see, and there are many coming to this thought, a very large professional standing army. I do not agree with this concept of the trained Civilian Reserve under which at the blowing of a whistle 3 million brave and strong Americans are going to spring to arms for the defense of America as they have for a hundred and fifty-odd years. That day is past. Now we must have in being a large, professional, trained service. It must be the best paid, it must be the best uniformed, it must be the best trained, the best

equipped, and the best armed that this Congress and this Nation can conceive. That is why, Mr. Chairman, this bill is here today giving to these troops good barracks, good operational facilities, good basic equipment for the permanent Army bases and the permanent air or naval bases. This is not to be temporary construction, this is to be permanent construction, the best we can find and the best we think these men should have.

I am not satisfied yet with the type of barracks that is going to be built. These are good barracks, understand, superior to what we have had, but I am not satisfied with the design or the cost ceiling now provided by law. I am not satisfied with the cost per unit, which is \$1,750. I think it should be about \$2,300 to \$2,400 per unit.

Mr. Chairman, the committee and this House certainly are acting well on this military construction.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

For an additional amount for "Salaries and expenses" for research, \$380,000: *Provided*, That 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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language in this paragraph as being beyond the scope of this bill and I ask the deletion of this paragraph.

The CHAIRMAN. Does the gentleman from Missouri concede the point of order?

Mr. CANNON. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Mr. Chairman, do I understand the gentleman's point of order correctly? Does he mean to strike the entire paragraph from line 5 through line 11?

The CHAIRMAN. The Chair so understands.

The Clerk read as follows:

For additional amounts for "Loan authorizations," for (a) loans under title II of the Bankhead-Jones Farm Tenant Act, as amended, \$15 million; and (b) loans to low-income farmers (including part-time farmers), who are unable to obtain needed credit from private or cooperative sources or under the provisions of titles I or II of the Bankhead-Jones Farm Tenant Act, as amended, to assist them in fully utilizing land resources, increasing the efficiency of their operations and improvement of living conditions and for other agricultural purposes except land purchase, \$15 million: *Provided*, That no loan may be made from funds authorized by clause (b) of this paragraph which shall result in the borrower's principal indebtedness on account of such loan or loans exceeding \$10,000: *Provided further*, 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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language appearing on page 3, line 8, over to line 2, page 4. It is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard?

Mr. CANNON. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON] concedes the point of order; therefore the Chair sustains the point of order.

The Clerk read as follows:

Not to exceed \$5 million 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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language appearing in lines 16 down to and including line 23 as being beyond the scope of the bill.

Mr. CANNON. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language appearing on page 5, line 2, down to and including line 7 as being legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

For an additional amount for "Construction, Washington National Airport," including construction, alterations, and repairs, \$2,600,000, to remain available until expended.

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Flood: On page 5, after line 14, insert:

ADDITIONAL WASHINGTON AIRPORT

For an additional amount for necessary plans, surveys, land acquisition, and other costs to commence construction of an additional Washington Airport to be located at Burke, Va., \$10 million.

Mr. H. CARL ANDERSEN. Mr. Chairman, I make the point of order against the amendment that it is not authorized by law.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Pennsylvania.

Mr. FULTON. The amendment is authorized by law.

Mr. H. CARL ANDERSEN. Will the gentleman cite the statute?

The CHAIRMAN. The Chair was about to ask the gentleman from Pennsylvania to produce the authority.

Mr. FLOOD. I have asked the law clerk, and I think he is now searching for it, to produce the citation. I am aware of this procedure and this technique, and I am now waiting to have that done.

The CHAIRMAN. Does the gentleman from Pennsylvania know when the law clerk will have the information?

Mr. FLOOD. I think he will be here very shortly.

May I say this, Mr. Chairman? If in the meantime he does not appear, I propose to withdraw the amendment.

Mr. H. CARL ANDERSEN. I shall have to insist upon my point of order.

Mr. PRESTON. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. PRESTON. I am not so sure but what the point of order is not well taken, but I am willing to make this proposition to the gentleman from Pennsylvania, that since this matter is of such importance and is receiving the attention of the White House and the subcommittee of the Department of Commerce plans to pursue this matter further, if the gentleman will withdraw his amendment, I will give him my personal assurance that it will receive prompt and careful attention.

Mr. FLOOD. That is exactly what I will do, and I will now notify the clerk that he no longer needs to produce the evidence.

The CHAIRMAN. Does the gentleman from Pennsylvania ask unanimous consent that it be withdrawn?

Mr. FLOOD. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask some member of the committee when it is proposed to increase the rates for usage of the National Airport comparable with rates charged at other similar airports throughout the country.

Mr. PRESTON. Mr. Chairman, if the gentleman will yield, that is the policy of the subcommittee, and we have so stated in our report, and we expect that to be done forthwith.

Mr. GROSS. But the appropriation is going to be made for expansion of the National Airport under the terms of this bill without regard to the fact that fees charged to the airlines using the Washington Airport, are far below those of comparable airports elsewhere in the country.

Mr. PRESTON. The gentleman is correct, but we are handicapped in trying to use language which would not be subject to a point of order, because it would be subject to a point of order. However, we have included in the report a statement that we expect it will be done immediately, and we hope it will be done.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, "a rose by any other name" should be the prefix to what I have to say. I am back under the same colors. I would like to say this in connection with the need for a new National Airport, and which should be constructed at Burke, Va. Now, I am not attempting to rise to the heights of statesmanship when I speak of the need for this new airport. I fly in and out of the National Airport, and so do many of you. One of our distinguished colleagues, the gentleman from New York [Mr. KEATING], came in on a plane within the last 24 hours that may or may not have been suffering from mechanical failures, but if it had not been stacked as long as it was, then there may not have been a mechanical failure and 49 lives, including that of the gentleman from New York, for whom we have a high regard, would not have been, in my judgment, unnecessarily endangered.

It is my considered opinion, Mr. Chairman—and I have heard this testimony—that the point of saturation for safety of passengers at the present National Airport has been exceeded, and that you are taking your life in your hands every time you take off or land at the present National Airport. Make no mistake about that. I examined the Administrator of the Civil Aeronautics Administration at some length and he said in the testimony—the hearings are available—that they have reached their caseload at the National Airport.

This committee, 3 years ago, appropriated the money, but unfortunately, the House struck it out, to begin construction of a new airport at Burke, in Virginia. I am concerned about your safety and your welfare. You are my friends, and my heart bleeds for you. I am concerned, with great affection, for your safety and your welfare, and you are not concerned with them when you do not build a new airport for the Nation's Capital and build it at once. Three years ago was too late. We should do this job and do it at once. Ten million dollars will do the first year's planning, acquisition, and work. You own \$1 million worth of real estate at Burke, Va.

Mr. Chairman, let me tell you this. Nobody asked me to make this speech. I have not been consulted by any committee or chamber of commerce from Virginia, or citizens' organization, or anybody else. I am thinking about the distinguished gentleman from Pennsylvania [Mr. FLOOD], for whom I have a very high regard.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Maryland.

Mr. DEVEREUX. We of Maryland are very much concerned about the safety of the Members of the House. I might add that we have a very fine airport at Friendship, willing, ready, and able to take any of the overflow traffic from the National Airport.

Mr. FLOOD. I may say to my friend, the distinguished general, that I am aware of that. But the technical information that I have—and the gen-

tleman knows that Tommy d'Alesandro, the Mayor of Baltimore, was on this subcommittee and is an old friend of ours—but the technicians tell me that Friendship is too far away; I do not know.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. PRICE. The gentleman from Maryland [Mr. DEVEREUX] has brought up the point that I wanted to mention. That is the suggestion I was going to make. I do not think there is much difference in time or distance to Washington from either Burke or Friendship, particularly with the new highway that we have between Baltimore and Washington. I think you could get to any hotel in downtown Washington in a matter of 25 minutes.

Mr. FLOOD. May I say that I do not know. I am just telling you what the technicians say, the men who have made the measurements and figured this all out. They tell us that under all the circumstances that is not the case and they prefer not to go there. I hold no brief for either one.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to say to the gentleman that I fly in here about once a week. I had the misfortune one time to be put down at Friendship Airport and I was further away from Washington in time when I got there than I was when I left the airport out in Ohio.

Mr. FLOOD. I do not want to get into that. I simply say, Mr. Chairman, that I am not doing this with any sense of facetiousness. I am serious. This is a deadly serious problem. From all the testimony, from all we know, and from what I have heard and read and seen, and from what the technicians and air scientists and safety people tell us, the Washington National Airport, because of its case load is a death trap and this new airport should be built without delay.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Maritime activities

Maritime Training

For an additional amount for "Maritime training," \$100,000; and the limitation under this head in the Department of Commerce Appropriation Act, 1956, 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.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language beginning in line 19 on page 5, down to and including line 2 on page 6, that it is beyond the scope of existing law.

Mr. CANNON. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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, \$2,020,000; 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 not to exceed \$100,000, as may be required to finance administrative expenses incurred in the making of disaster loans.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language beginning in line 3, on page 6, and extending down to and including line 6, on page 7, that it is without legislative authority.

The CHAIRMAN. The Clerk had read only through line 20 on page 6.

Mr. RABAUT. I make the point of order against the language up to that point, then, Mr. Chairman. There is no legislative authority for it.

Mr. CANNON. If part of the paragraph is out of order, all of it is out of order. We concede the point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

Revolving funds

For additional capital for the Revolving Fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitation, \$25,000,000: *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, first session, or similar legislation, continuing the Small Business Administration during the fiscal year 1956.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language beginning in line 21, on page 6, down to and including line 6, on page 7, for the same reason, that there is no legislative authority for it.

Mr. CANNON. The point of order is conceded, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

CHAPTER III

CENTRAL INTELLIGENCE AGENCY

Construction

For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation, in the District of Columbia or elsewhere, as authorized by the act of —, 1955 (Public Law —), to remain available until expended, \$3 million, to be derived from the unobligated balances of appropriations made available to the Central Intelligence Agency for the fiscal years 1953 and 1954.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language on page 7, from line 7 to line 16, that there is no authority in law for it; it is beyond the scope of existing law.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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 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 —, 1955 (Public Law —), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles; to remain available until expended, \$483,612,000, to be derived by transfer from the appropriation for "Procurement and production, Army."

Mr. RABAUT. Mr. Chairman, I make the point of order against the language on page 8, from line 11 down to and including line 24, that it is not authorized by law and is beyond the scope of existing law.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Mr. Chairman, do I correctly understand that the gentleman from Michigan is striking out the entire paragraph, including the portion of line 23 and all of line 24 which authorizes the transfer of Army production and procurement funds for the use of the military construction program, the net effect of which is that so far as the House is concerned there will be no funds made available for the Army military construction program for the fiscal year 1956?

The CHAIRMAN. The Chair believes the gentleman has gone beyond a parliamentary inquiry. For the information of the gentleman, the gentleman from Michigan [Mr. RABAUT] has made a point of order against the language in the bill on page 8, lines 11 through line 24. The gentleman from Missouri [Mr. CANNON] has conceded the point of order.

Mr. RABAUT. Mr. Chairman, I should have included line 10, so as to take out the title.

The CHAIRMAN. The Chair thought that the gentleman from Michigan intended to include that in his point of order.

The gentleman from Michigan makes a point of order against the language on page 8, lines 10 to 24 inclusive. The gentleman from Missouri concedes the point of order and the Chair sustains the point of order.

Mr. AVERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. Mr. Chairman, in view of the fact that a point of order has been raised against this entire section, I presume that that precludes the offering of any amendments to that section.

The CHAIRMAN. The Chair must advise the gentleman that he has properly interpreted the situation.

Mr. AVERY. The gentleman thought that that was the situation. I thank the chairman.

Mr. FORD. Mr. Chairman, do I understand that the Chair has ruled that the point of order is proper?

The CHAIRMAN. The Chair has ruled that the point of order is proper and has sustained the point of order.

Mr. FORD. Mr. Chairman, I move to strike out the last word.

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, I do not seem to understand all the high strategy and masterminding in the making of points of order. I can only say I regret exceedingly what has been done in each instance. And, if I think it is wrong in this specific instance on Army funds, I must think it is wrong elsewhere. It is most unfortunate that a point of order has been made against this part of the bill.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. ROONEY. I find myself in the same quandry as the gentleman from Michigan, and I wonder where this strategy is going to lead us because I strongly suspect that many of these items being objected to will be inserted in the bill when it reaches the other body, and that the House will subsequently accept them.

Mr. FORD. I certainly wish to reaffirm what I said before, which seems to be concurred in by the gentleman from New York. My point is, and I guess about 49 members of the Committee on Appropriations feel the same way about it, that we have for the last month or more put in a good many hours listening to witnesses from the various agencies and departments of the Government, trying to find out what is right and what is wrong in the budget requests. It does not make sense to me for a capricious reason to find the bill gutted on the floor of the House. If someone can straighten me out on the high strategy, I am most anxious and willing to listen.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.
Mr. SCRIVNER. I cannot tell you what the high strategy is, but I can tell you what the result of what is being done here is—there are no funds in this bill for public works for the Army.

Mr. FORD. That is very evident, and I suspect the same may be true for the Navy and the Air Force, which means that all we have done for a month goes for naught. There is only one compensating factor and that is when we deal with the other body in conference, we

will start with zero and that will put us in a very advantageous bargaining position.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SHEPPARD. Mr. Chairman, I think that some issues are being brought out here this afternoon which are of a very educational nature. I am under the impression that in the future we Members who hold hearings on these bills should know the results of our labors so far as the procedure pertains wherein the House may consider our efforts and act as they see proper.

Mr. FORD. I repeat, I just do not understand what the super strategy is.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MILLER of Maryland. The section which has been stricken out obliterates the conclusions reached after taking a great many pages of testimony representing hours of work for many of us, does it not?

Is it not also a fact that our committee has seen fit to criticize the armed services for being a little slow in presenting some of these facts? Are we not in a rather awkward and inconsistent position if we abandon this program irresponsibly to engage in an argument over parliamentary procedure.

Mr. FORD. The gentleman from Michigan [Mr. RABAUT] knows that I have the highest regard for him personally. We worked together on one subcommittee ardently, and I think effectively, for a period of 2 years. We do not always see eye to eye on some legislative matters, but I personally like him and admire him. I do not understand what the reason for this action is, and if he could enlighten me I would be the first one to understand.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SMITH of Wisconsin. I wonder where the responsibility for this so-called gutting operation lies.

Mr. FORD. I cannot give the gentleman that information.

I would like to say something with reference to one item that appeared in the committee report, as far as the Department of the Army portion of the bill is concerned. It pertains to facilities at Fort Leavenworth. The information is contained on page 20 of the committee report. The committee did strike from the line items \$5,433,000 for the Academic Building, Command and General Staff College, Fort Leavenworth, Kans. For myself, I think the committee was on sound ground in deleting that item in fiscal year 1956.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. FORD was granted 3 additional minutes.)

Mr. FORD. As I said before, it seemed to me at the time, and I believe it still holds true, that we were probably right in deleting this line item. With few exceptions our subcommittee or panel went along with the Department of the Army in allowing funds for opera-

tional facilities, for housing and barracks for the enlisted personnel. It seemed to the subcommittee that this specific item could logically be deferred for a year. They have had the present facilities for a long period of time and they have gotten along.

Subsequent to the markup of the bill, additional information was subsequently given to the committee which to some extent casts doubt on the wisdom of our decision on this item. I would like to say for the record that I feel the committee might well strike from the committee report this paragraph referring to this particular line item. This would in effect do away with the prohibition of the construction of the Academic Building, provided the Army would take the money for the construction out of the total funds they would have under this bill.

I regret exceedingly that the gentleman from Kansas, Mr. AVERY, because of the point of order, is precluded from offering his amendment to reinsert in the bill the funds for this particular project. I think our subcommittee would have had to oppose the amendment, but nevertheless we could have in the proper way explained the reasons for the committee action, and given him an opportunity, as he should have had today, to present his case on this particular project. I hope that in the other body they will take action that will give us an opportunity to work out a sound solution in conference.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. AVERY. As I understand the gentleman, you expressed your sanctioning of the deleting.

Mr. FORD. I do not understand the gentleman. I personally feel that we should have stricken the restrictive paragraph from the committee report, but we did not have an opportunity under the parliamentary circumstances. Regrettably all corrective action will have to come in the other body.

Mr. AVERY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Ford] has expired.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hold in my hand the paper that I took with me yesterday to the Rules Committee. This is the logic that I tried to use on them.

Now we want to know whether 50 Members of this House can work so diligently and so long as is evidenced in these books of hearings on this bill and then the Rules Committee upstairs can turn a deaf ear on a measure subject to this great number of points of order. I want you to see how many times a person is able to sustain a point of order in this bill and ask you if there is reason for the indifferent treatment we received from the Committee on Rules.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will not yield now.

Here is the statement I presented to the Rules Committee.

The Committee on Appropriations is requesting a rule to waive points of order

during the consideration of H. R. 7278, the supplemental appropriation bill, 1956.

This bill is "loaded"—

And I said that probably is not the word, it is "pregnant" with items which are technically subject to a point of order, for example:

Several items which relate to the use of appropriations heretofore made, as well as limitations carried in other appropriation bills. Reference to money in other bills makes such language in this bill subject to a point of order under the rules.

Items in the bill which are contingent upon passage of legislation in the closing days of this session such as the Small Business Administration, the Mexican farm labor program, and legislation increasing the minimum wage.

The bill authorizing military construction has recently cleared Congress, but at the time the bill was reported had not yet been signed by the President.

The bill, H. R. 6795, authorizing construction work by the Atomic Energy Commission, also awaiting enactment.

The above items are the sort of thing that have been carried many times in appropriation bills for which you gentlemen have granted rules in the past.

There are some new items in the bill which show in the report beginning on page 66: Four of these relate to the chapter dealing with the Department of Agriculture, 3 of them deal with the independent offices chapter; another deals with the Public Works chapter (Dixon-Yates); and one deals with the salaries of employees of the Committee on Appropriations.

I said that I was keeping nothing hidden from the committee, that these were the facts. They took it under advisement.

I was not there alone; I was accompanied by three members from the minority: The gentleman from New York [Mr. TABER]; the gentleman from California [Mr. PHILLIPS]; and the gentleman from Wisconsin [Mr. DAVIS]. Mr. DAVIS said to me that he was only lending his moral support as we chatted together. It was a very agreeable meeting.

To my surprise no action was taken.

Now this procedure today is inacted to bring forcibly to the attention of the House just how far the Rules Committee can go to frustrate the work of the Congress. In my opinion the committee should be an asset rather than a deterrent to House procedure.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the House should have this situation clearly in mind and that is the thing I want to call to the attention of the Members now. No member of the Rules Committee is present making points of order.

The reason I was opposed to the rule was because I desire to make a point of order against section 902, on page 25. When that item is reached I shall make the point of order. The gentleman from Texas [Mr. TEAGUE] chairman of the Committee on Veterans' Affairs, was also present and he objected to the rule because there was an item in there for the President's Commission on Veterans' Pensions appearing on page 17, line 22, to page 18, line 2.

If the committee itself and the majority in control of the committee throw out

the things themselves that the committee has been working on, that is their doing and not the Rules Committee. The only thing it demonstrates is this: It makes us wonder why they have reported the bill if they felt that way about it.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. PHILLIPS. I think it ought to be pointed out that the paragraph to which the gentleman from New York objected and to which the gentleman from Wisconsin [Mr. DAVIS] and I also objected, section 902, was not written in when the bill was originally prepared, but was written in at a specially called meeting of the subcommittee, which four members of the minority were unable to attend. In the full committee, the gentleman from Missouri [Mr. CANNON] himself suggested that this paragraph be stricken and asked unanimous consent to do so, but due to the confusion, shall I say, the difficulty of understanding quite what was being said and going on, the paragraph was not stricken. So what is unusual about going before the Rules Committee and asking that they permit a rule which would allow this to be stricken out on a point of order?

I have been here, as the gentleman from New York will recall, for 13 years. I have seen many bills come on this floor without a rule. It is a custom. But I have never seen a member of the majority party take the attitude that because there was not a rule he was obligated to get up and make points of order against every paragraph of the bill, even though the members generally might approve some of the paragraphs. A year ago the Rules Committee denied a rule to the Subcommittee on Independent Offices, but I did not come to the floor and raise the possible points on all items which were subject to them.

Where does the obligation lie? The responsibility, the gentleman from New York will agree, must lie at the majority table for striking out these paragraphs. No points of order are being made by those on the minority side.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. RABAUT. I do not think that is a fair statement. The gentleman from the majority going before the Rules Committee championed this bill. It was the minority that went up and asked that no rule be granted. I am championing this bill, I am standing here today championing the action of the Appropriations Committee. I do want to agree with the gentleman, he did ask for the deletion of that one section, and that is why I am finding fault with the Rules Committee, because of the fact that one section could have been exempted if they wished to do so, but instead of that, they went whole hog on the thing to the detriment of our procedure here today.

Mr. TABER. Mr. Chairman, frankly, if I had a bill to present I would not myself be making points of order against it. I would not take the responsibility of destroying the work that the commit-

tee had done. But if that is the way the majority wants to proceed on this and that is the way we must proceed, that is up to them.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. As I understood the gentleman from Michigan, he explained to the Committee on Rules that there were many, many places in this bill where a point of order would lie. Is that right?

Mr. RABAUT. That is correct, and could not be avoided.

Mr. JENSEN. Yes. Then I ask, in all fairness to the Committee on Rules, after you pointed out so many places in the bill where a point of order would lie, how could the Committee on Rules do other than they did by not allowing a rule? I must say this, in all frankness, irrespective of the high regard I hold for the gentleman from Michigan, because he is a great legislator and a grand gentleman, the facts are that you pointed out to the Committee on Rules, as I understand it, so many places in this bill where points of order could lie that you scared the Committee on Rules to death, and so they decided not to give a rule for fear they would be criticized on the floor of the House.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, having worked for a number of weeks on this bill, it is, of course, a bit frustrating to see this sort of thing happen. This bill has many items in it, but it is principally a bill for military public works. The military public works provisions in the bill are subject to a point of order for a couple of reasons. The authorizing legislation upon which the appropriation is based, in many instances, has passed the House and the Senate. It has gone to the President, and the indications are that the President will sign it today, but we have not received word that it has been signed. So, of course, the military part of the bill so far as military public works are concerned is subject to a point of order. But there is nothing we could do about it if we were going to cooperate toward an early adjournment of the Congress. We did place another legislative provision in the military part to which I want to refer. We said that the Army, having \$800 million that it did not need in procurement funds, should transfer to the public works program sufficient money to cover the program in this bill for the Army. Of course, that is legislation. But, generally speaking, that is the extent to which the military part of the bill is subject to a point of order, and as to the tactics being used here today in handling this bill, I have no responsibility.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Is it not a fact, as brought out before our subcommittee, the subcommittee of which the gentleman from Texas is chairman,

that the section of this bill which contains by far the greater part of the money, the chapter that has to do with national defense, is very important to our national defense? It involves many items that are urgently needed for the safety of the country, does it not?

Mr. MAHON. I think the gentleman is correct.

Mr. MILLER of Maryland. I have great sympathy for the members of this committee and their prerogatives, but actually is it not desirable that at least that chapter of the bill go through without a point of order? I know of nobody who has any important reason for making a point of order against that chapter.

Mr. MAHON. I will say to the gentleman that the gentleman from Texas is not making any points of order and is quite concerned over the procedures being followed.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor again to refer to the farm provisions in this bill because I feel that perhaps some of the Members did not hear the earlier explanation.

On April 26, President Eisenhower sent down a request to help the low-income farmer. The budget request was not in any huge sums of money. Our committee waited 4 or 5 weeks for legislation. At that time I went to the gentleman from North Carolina (Mr. COOLEY) and to the gentleman from Texas (Mr. POAGE) and asked if they thought I should go ahead and put these provisions in the bill. They advised me that if we wished to go ahead to do so. On that basis we did put in this bill the amounts of money which the Bureau of the Budget had approved and sent down in line with the request of the President.

In our report we pointed out that we did not feel that these sums of money or the enlargement of these programs would meet the need of the low-income farmer at the present time, but that we did feel, as a subcommittee, that we should go along with his efforts to relieve this situation, although we thought it would relieve it only to a small extent.

I want to say again that in our actions we were cooperating with the leaders of the Committee on Agriculture and that is the basis on which it came to you.

I regret that points of order have been made against what I consider to be sound legislative procedure. But be that as it may, it is for my friend to make his own determination on that.

Mr. RABAUT. Mr. Chairman, will the gentleman yield to me?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to say that my position in this is that I went upstairs to champion this bill. If they wanted this bill laid open for a riddling, which it might get because of the refusal to grant a rule, that is one thing. But I want to know who is championing this bill. I championed this bill and the work of these people. I gave a citation of these volumes of hearings. And that is why I shall make no exceptions. I am not singling out any particular provision in this bill. I am going to raise

a point of order whenever a point of order lies in the bill.

Mr. WHITTEN. I have always been told to let the other fellow do as he has decided to do, because if you do not let him do it, he will anyway. I have nothing to say to my friend except this. In espousing the provisions of this bill to the Committee on Rules, I would take it that the gentleman was vouching for the soundness of those provisions. Having vouched for the soundness of them, my friend was acting differently when he made points of order against provisions that he earlier had thought were sound, because he had asked for a rule. But again, that is a matter of opinion.

I want to keep the record straight so far as our subcommittee is concerned. Definitely we were not trying to take advantage of anything. We went to the proper people to see if they wanted us to go ahead and they told us to do so.

In the time that I have been on the Subcommittee on Agriculture we never wrote legislation into the bill unless we got the legislative committee to approve it and to tell us to go ahead. We never asked for but one rule and that rule was requested by the leaders of the legislative Committee on Agriculture, a few years ago, when they had failed to pass the ACP authorization act. So that it was at their request that we asked for that rule. I merely wanted to keep the record straight so far as our own subcommittee is concerned.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Does it not seem rather strange that the gentleman from Michigan (Mr. RABAUT) goes before the Committee on Rules and asks for a rule waiving these points of order, which would mean that he was in full support of the bill, and then makes points of order against these provisions? The Committee on Appropriations, made up of 50 members, reported it out and the gentleman is on the floor today making the very points of order against those provisions, instead of leaving that prerogative to some member of the Committee on Rules, if they find any fault with them. It is something I cannot understand.

Mr. WHITTEN. I shall not attempt to pass judgment on that. I have enough to do passing judgment on my own actions.

Mr. COLMER. Mr. Chairman, I move to strike out the last two paragraphs.

Mr. Chairman, I have hesitated, since the very inception of this debate, to rise on this floor and get into any controversy with my friends. And I assure you now I have no such purpose. I have no desire to criticize or to praise anybody for the position they have taken on this matter. I merely rise to attempt in my humble way to throw a little light on the matter. I know of no man in this House for whom I have a higher regard than the gentleman from Michigan (Mr. RABAUT). Therefore, I should be the last person to raise my voice in criticism of him, and I shall not do so.

It is true that the gentleman from Michigan came before the Rules Com-

mittee on yesterday and asked for a rule waiving points of order. He read from a prepared statement which he has exhibited here today giving his reasons for it. I recall that he emphasized on 2 or 3 occasions that there would not be 4 pages in this bill unless points of order were waived.

There were a number of things that he pointed out. There were a number of things objectionable to this person or that or the other on the committee. Frankly, when the gentleman stated his statement, personally, it never occurred to me that a rule would not be granted.

I am not going into anything that transpired in the executive session in the Rules Committee and I am not going to either praise or criticize any member of that committee, but I think I can lay my finger on the trouble here.

I know that the Rules Committee becomes a whipping boy at one or more sessions of this Congress, and usually more than once. I know we are patted on the back sometimes because we prevent the Members from having to vote on some controversial matter, and then again I know that we are the recipients of brickbats that come our way because we have offended somebody with a pet measure.

If I am any judge of this situation, the trouble is in section 1301 on page 32 of this bill, where the Committee on Appropriations set out to legislate the salaries of their employees, and other committees were left out. I am going to say now what I said in open committee on that subject yesterday, not in executive session, that so far as I was concerned I had no objection to that; that while there was objection to it from some quarters, these boys on the Appropriations Committee worked hard, they were courteous, they deserved their pay, and possibly an increase if any House employees did. Of course sometimes I think we are going wild on this thing of increasing everybody's salary, raising everybody's wages. But here was a group that worked hard, and if anybody was entitled to it maybe it was that committee's employees. But there were other committees represented that thought that if the thing was going to be done, it ought to be done across the board.

Then there was opposition, it has been shown here, from the Veterans' Affairs Committee. The chairman of the Veterans' Affairs Committee appeared before our committee and objected to waiving points of order on an item setting up a study committee, duplicating the work his committee was doing.

Other committees were represented as objecting to certain items in the bill which were considered as encroaching on the prerogatives of their respective committees.

Now, I do not know, maybe we are entitled to this chastisement as members of the Committee on Rules. As one member of the committee, I am willing to take my part of it whether I am innocent or whether I am guilty. It is all part of the game. I might say in passing I have a project in the bill. So I had not reason for not wanting points of order waived. It would have been to the

advantage of my district to have them waived. I say to you that this is an unfortunate situation. Those who want to raise points of order against everything in the bill, of course, are permitted to do so. But maybe there was some reason or some justification not aimed at agriculture or at the armed service or at these other agencies that guided the Committee on Rules in taking the action that it did.

I am sure the members of the Committee on Rules need no defense at my hands. They can and will bear their share of the responsibility. But those responsible for mutilating the bill here today must likewise take their full share of the responsibility.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. COLLIER] has expired.

Mr. CANNON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the session this afternoon is reminiscent of the good old times when I first came to the floor 44 years ago. In those days it was estimated that a third of the time of the House was taken up in the discussions of points of order. We had long sessions, during which all the parliamentary authorities and would-be parliamentary authorities of the House rose and expressed themselves practically every day, taking up a large part of the daily program.

And in those halcyon days the Committee on Rules governed the House. There were three men on the Committee on Rules in those days. And the Speaker of the House was a member of the committee. As I recall it, the Committee on Rules in the 61st Congress consisted of Speaker Cannon; John Dalzell, of Pennsylvania, on the part of the majority; and James Richardson, of Tennessee, on the part of the minority. Every day or so they would send around and tell Richardson to "Come on out to the Speaker's room, we are going to have a meeting of the Committee on Rules." They would go into session for about 3 minutes and tell him what the report of the committee would be. Then when they came out on the floor with the resolution Richardson would take up his portion of the time telling what an outrage it was, until finally Speaker Cannon would beckon Dalzell up to the Speaker's stand and say, "John, go down there and tell Jim Richardson to come out to the Speaker's room—we are going to commit another outrage."

Eventually the reaction against the government of the House by the Committee on Rules became so pronounced that in the election of 1910 it was the sole issue before the country in the congressional campaign. The Committee on Rules dominated the House of Representatives. No measure could be considered unless the committee sponsored it. Finally, the reaction against the Committee on Rules became so great that it resulted in an overturn of the House and for the first time in 16 years, the people elected a Democratic Congress.

The proposition before us today is a very familiar one. At the end of every session of Congress there are many odds and ends, many deficiencies, items which

must be disposed of at the last minute in preparation for the hiatus between sessions; and, as everybody knows, all of them are thrown into a hodgepodge, the one last supplemental bill. Necessarily, a large number of these items are subject to points of order. It could hardly be otherwise, handling the tremendous volume of business of the average session. Every year, as you all recall, we bring in a bill like this, the last thing at the end of the session. We always get a rule on it. I have never known a rule to be refused before. There is no ulterior motive of any kind. The Committee on Appropriations has no desire to take away from any Member of the House a single right or prerogative. All we are trying to do is to wind up the business of the session and get ready to quit, as we always do.

The only effect of a lack of a rule here is to deny the House the right to pass on these items. All the Committee on Appropriations is trying to do is to give you an opportunity to debate, to amend, and to vote. If you approve an item you can vote for it, and if you do not approve of it you can vote against it. Why should the Members of the House be denied the right to vote on any proposition? That is what we are here for.

Lack of a rule denies the House the right to vote on these propositions. The Committee on Appropriations has tried to give you that right. What is wrong about that?

What has the Committee on Rules to gain by refusing to give you that opportunity?

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. MAHON. Mr. Chairman, I move to strike out the last word for the purpose of undertaking to clarify, for myself at least, this issue. The Constitution says, I believe, that revenue bills must originate in the House. I believe it has been held that appropriation bills, though not specifically so designated in the Constitution, must originate in the House. When we knock out all of these appropriations for military public works and we permit the appropriation to be initiated in the other body, are we acquiescing in a violation of the traditional rules of the Congress? That is the issue that I think the gentleman from Missouri, being an able parliamentarian, should be able to enlighten us upon.

Mr. CANNON. The gentleman should propound that question to the Rules Committee.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. FORD. I think the gentleman has raised a very vital and important problem, not only with reference to the whole bill but the military portions of the bill specifically. I would dislike to have any cloud whatsoever put upon the appropriation of funds for the defense of the country, on the mere whim or caprice of one person. I am not speaking for or against the Committee on Rules. But I just wonder about the wisdom of one person, zealously guarding the rights and prerogatives of 434 other Members of Congress, who, if they wish, could or

would make a point of order against any appropriation.

Mr. MAHON. I am not a parliamentarian, but if we permit the bill to originate in the Senate and we later improve it, it would probably be law when the President signed.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. RABAUT. This is a supplemental bill and it contains appropriations for many different items. It has always been the prerogative of the Senate to add certain amendments to a supplemental bill.

Mr. MAHON. It is a supplemental bill, but it is the only bill of the session that contains military public works.

Mr. RABAUT. It is still in the supplemental bill.

By unanimous consent, the pro forma amendments were withdrawn.

The Clerk read as follows:

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 524), the act of September 1, 1954 (Public Law 765), and the act of —, 1955 (Public Law —), 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; \$439,950,000, to remain available until expended.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 19, line 3, to and including line 16, on the ground that it is not authorized by law and is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

Mr. HAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure we all know exactly what we are doing and we are not doing a very responsible thing. I can understand the feelings of my friend the gentleman from Michigan [Mr. RABAUT], and he is my friend. I am not concerned with taking part in any jurisdictional fight between the Appropriations Committee, of which I am a member, and the Committee on Rules. The country is not concerned with this parliamentary struggle. What I do know is that in the last 15 minutes we have succeeded in striking out a billion dollars' worth of appropriations for necessary construction for the Army and Navy. The country is concerned with that.

We should not permit this fight to distract the attention of the committee and the entire House. I now ask my friend from Michigan if he intends to continue making points of order against these paragraphs.

Mr. RABAUT. I want to play no favorites, so I shall continue to raise points of order against all items subject to a point of order.

Mr. HAND. The gentleman is always fair, but in this case, he is bearing a heavy responsibility. Apparently we are not going to be allowed to legislate.

Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion.

The motion was rejected.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I take this time because it is obvious that when we get this bill again it will be in the nature of a conference report, and we all understand the limitations of discussion on a conference report.

I would like to call attention to page 10 of the bill and the appropriation for the Export-Import Bank. And I should like to call to the attention of some Members of the House, who feel as I do, that we have overstepped ourselves in dishing out money to Yugoslavia, that the hearings show the Export-Import Bank has loaned some \$40 million to Yugoslavia.

Thus, despite the millions given to Tito in military and economic aid, the Export-Import Bank has financed this dictator to the tune of another \$40 million.

I would also call your attention to the fact that the Export-Import Bank is making loans in furtherance of offshore procurement. According to the hearings they have made loans to foreign manufacturers until they can receive payment from the Defense Department of this country.

I wonder if the Export-Import Bank or any other bank would make loans to the people in my district in Iowa upon the same basis?

Mr. Chairman, this bill also carries a continuation of one of the finest boondoggles I ever heard of, in fact a couple of them. One is this international trade fair business. Do you know that in the past year we have had international trade fairs to which this country has paid for the hauling of brassieres and girdles to Bangkok, Siam, or Thailand, as it is called now. According to the hearings of the committee, the American experts who staged this affair, indicated that some Thailand women wear brassieres, but they had no information as to whether they wear girdles.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. I think the gentleman is entitled to the commendation of the House for having read the printed committee hearings. It becomes very apparent that he has thoroughly read them. I am sure he recalls some of the articles which were exhibited at the Bangkok Fair, including a Squibb Co. toothbrush, a can of Ajax cleanser, four boxes of Kotex, and a hair net. The gentleman recalls all that?

Mr. GROSS. Yes; I certainly do, and I also recall the fact that this Government or, rather, the taxpayers of this country paid to send some 10 people, in addition to Department employees, to

accompany these exhibits at the various fairs. One of them, I recall, was a Wall Street banker, another the sales manager for the International Harvester Co.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. JENSEN. I think it would be well to get down to business instead of talking foolishly.

Mr. GROSS. If my colleague from Iowa can think of anything more foolish than to carry on the procedure that was carried on at Bangkok, Siam, and elsewhere in connection with this international trade business, with the taxpayers of this country paying the bills, I would like him to tell me about it.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I might remind my friend from Iowa that there are \$5 million worth of this foolishness in the pending bill.

Mr. GROSS. Exactly, and if the gentleman from Michigan does not attempt to take it out on a point of order, I assure the gentleman from Mississippi that I will make a point of order.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the 17th session I have served in this House. This is the silliest and the most uncalled for ceremony I have ever witnessed in this House of Representatives. Some one got their tender toes stepped on so they are going to take their marbles and go home. We used to see that kind of kid play in school. I thought we had outgrown it but it seems we have not.

Now, there are some things in this bill, of course, that I do not like, but there are a mighty lot of things in this bill that are very necessary, and the longer we wrangle the worse the confusion is going to be. There is \$4.5 million in this bill for poliomyelitis research, matching funds with the States. I hope when we get to that item, even though it might be legislation on an appropriation bill and not authorized by law, that that section will not be stricken. We have a colleague in this House who has dedicated his life to the cause of suffering humanity and to the cure of these dread human diseases, and that gentleman is our friend and colleague from Rhode Island, Mr. FOGARTY.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I thank the gentleman for what he has said about me. As I understand, all the items on page 24, under the Department of Health, Education, and Welfare, are authorized by law.

Mr. JENSEN. They are authorized by law? Good; we must not hinder or set back that program a minute.

Mr. FOGARTY. Yes.

Mr. CANNON. Mr. Chairman, if the gentleman will yield, the matter which the gentleman is discussing is not subject to a point of order, and there is no intention on the part of the Committee to raise a point of order against it.

Mr. JENSEN. I am glad to hear that. There is another provision in this bill for the little farmer, for the little businessman who most of us are concerned about.

Now, let us not act like kids. Let us not talk about something that amounts to just about nothing, as was just talked about a minute ago on this floor. I have been in Thailand, and I will tell you there is not a finer group of people in this world than the Thais. They are a great people; let us not make jokes about them as was just done here on the floor of this House. It is not good for our relations with that country. They are our friends. Let us have no more of that kind of little talk.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

I do not rise for the purpose of delaying this procedure this afternoon. There have been a lot of things said about a lot of people and a lot of criticism by some of certain action that has been taken. And, while the gentleman from Michigan [Mr. RABAUT], does not need anybody to defend his action, I do want to say if he had not made some of these points of order that have been made, they would have been made by some of the other Members, including myself.

I also want to express my appreciation to the Committee on Rules for at least making it possible for points of order to be raised on this bill. I was interested in the expressions about the great volumes of testimony that were taken on certain legislation by the Committee on Appropriations. I have every appreciation for the ability of all of the members of the Committee on Appropriations, but at the same time I know that we have other committees that have been assigned to certain duties in this House, and I think we should expect them to discharge those duties.

It has been brought out here that we are trying to reach an adjournment at some fixed date. Well, I am not so much interested in the time of adjournment as I am in seeing that the proper kind of job is done.

I do not think it is necessary for the Committee on Appropriations to take upon itself the responsibility of passing upon legislation that this House might be interested in and then go to the Committee on Rules and expect them to grant a rule waiving points of order so that no points of order could be raised in the bill. I want to say that I was one of the members of the Committee on Agriculture who requested that the Committee on Rules not grant a rule waiving points of order on this bill. I think I can speak for the chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] and say that he did go to the Committee on Rules at the request of and following a vote of more than two-thirds, a majority, of our committee yesterday requesting that an open rule prevail so that points of order could be made.

Finally, in closing, I want to say that if the gentleman from Michigan [Mr. RABAUT], does not make the point of order, I think I shall make a point of

order on page 32, section 1301; because during the past several weeks, with other members of the Committee on House Administration, we have been trying to bring into this House an orderly bill on the adjustment of salaries of employees of the House and employees of committees. I think it should be done through that committee. Unfortunately the Committee on House Administration passed out a bill this morning that I have no doubt they will go with to the Committee on Rules and ask for a closed rule. And I am saying now that if that bill is brought to this House under a closed rule and is passed without any opportunity of amendment, we are going to take another dip into the Treasury for unwarranted increases to employees, increases that are not justified, and leave without raises other employees who are carrying on the work of this House, aside from any partisan political patronage.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman.

Mr. CANNON. The gentleman is talking about something that never has happened and never will happen. This committee has never asked for a closed rule at any time or under any circumstances. On the contrary, we encourage both debate and amendment. That is why we asked for a rule. The rule we asked opens the bill to debate, and amendments are always in order. You can neither debate or amend these items without a rule. The idea that the Committee on Appropriations would ask for a closed rule is absurd.

Mr. JONES of Missouri. The Committee on Appropriations has asked for a rule waiving points of order on appropriation bills.

Mr. CANNON. And that opens these items to debate and amendment.

Mr. RABAUT. Mr. Chairman, will the gentleman yield to me?

Mr. JONES of Missouri. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman said that he would make a point of order against section 1301 if I did not. I suggest to the gentleman that he need not worry. I am going to make a point of order against section 1301.

Mr. JONES of Missouri. I should like to ask the distinguished chairman of the committee from Missouri [Mr. CANNON] if the Appropriations Committee has not brought in appropriation bills with a rule waiving points of order, permitting legislation on appropriation bills to stay in the bills.

Mr. CANNON. The only purpose of waiving points of order is to permit the House to debate and amend and vote. We wanted the House to have an opportunity to vote on these items. Without a rule the House cannot vote for or against.

Mr. JONES of Missouri. The committee has asked for rules waiving points of order in order to include legislation on appropriation bills. I am against that policy.

Mr. CANNON. Practically every appropriation bill the gentleman has ever

voted for carried legislation. The gentleman has frequently voted against his policy.

The Clerk read as follows:

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, \$171.48;

"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.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language on page 9, beginning at line 18 and concluding with line 6 on page 10, that it is beyond the scope of the present law.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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 the act of —, 1955 (Public Law —), without regard to sections 1136 and 3734, Revised Statutes, as amended; including hire of passenger motor vehicles; to remain available until expended, \$955,929,000.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language beginning in line 7 on page 10, and concluding with line 21, that it is not authorized by law.

Mr. CANNON. The point of order is conceded, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this occasion to inquire of the majority leader if he can tell the House at this time what the program is for the rest of the week and for next week.

Mr. McCORMACK. I am very glad that the gentleman asked about the rest of the week.

This bill is the last order of business for this week. If a rule had been reported out on the minimum-wage bill that would have come up tomorrow. I hope the rule will be reported out tomorrow, but, of course, it could not be brought up tomorrow.

If this bill is disposed of today, I intend to ask unanimous consent at the proper time that the House adjourn over until Monday.

Mr. MARTIN. I was going to inquire about the outcome of the bill under consideration today.

Mr. McCORMACK. I would think that with my announcement that if this bill is disposed of today I am going to ask unanimous consent that the House adjourn over until Monday; the bill ought to be finished today.

The program for next week is as follows:

On Monday the Consent Calendar will be called, and there will be five suspensions:

H. R. 7225, the Social Security Amendments of 1955.

H. R. 7205, relating to the free importation of gifts for members of the armed services.

S. 1855, to amend the Federal Airport Act.

H. R. 6243, a bill from the Committee on Merchant Marine and Fisheries authorizing the construction of nuclear vessels.

H. R. 5844, to increase the fee in connection with applications for passports from \$1 to \$3.

Mr. MARTIN. Is that a suspension?

Mr. McCORMACK. Yes.

Mr. MARTIN. I should like to make an inquiry about that bill, if I may. I understand this increases to \$3 the amount to be paid to the clerk. That actually comes out of the Treasury. There is no increase in the fee that is to be charged for the passport. The result is that the Passport Division may be seriously crippled. Is that a fact?

Mr. McCORMACK. I will have to confess my ignorance as to that.

Mr. MARTIN. I thought if that was the case you might have difficulty in suspending the rules and passing that bill.

Mr. McCORMACK. I am unable to answer the question.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. HAYS of Ohio. While I am not enthusiastically for the bill, it increases the fee the clerk of the court in the local jurisdiction gets, which the Passport Division never got, anyway. Before the fee was a dollar, which the applicant paid to the clerk of the court in cases in the local jurisdiction, in Ohio, Massachusetts, or wherever. This raises it so they can charge \$3.

Mr. MARTIN. Does that change the amount charged for the passport? Is the total charge \$10?

Mr. HAYS of Ohio. This raises the amount the person applying for the passport pays, and it does not delete anything from the amount the State Department gets.

Mr. MARTIN. That is what I was anxious to know.

Mr. McCORMACK. Thereafter on Monday, if a rule is reported on the minimum-wage bill tomorrow, that bill will be considered.

Tuesday, Wednesday, Thursday, Friday, and Saturday:

The Private Calendar will be called on Tuesday. Thereafter, this is the proposed program for next week, although these bills may not necessarily be called in the order in which I am stating them:

H. R. 5614, to amend the Communications Act of 1934. That was on the program for this week.

H. R. 6373, the extension of the Mineral Program Act. That also was on for this week. I may say in connection with both of these bills that the reason they were not brought up was that there was some discussion going on among the Members about them, and I was requested not to call them up pending the outcome of the discussions that were taking place. I may say that the Members concerned are all satisfied with the bills coming up next week.

If the following bills are reported and rules are granted, they will be in order for consideration:

H. R. 7072, the Federal aid highway construction bill.

S. 2126, the housing bill.

There is a bill from the Committee on House Administration to equalize salaries of employees of the House and to increase the clerk-hire allowance of Members of the House.

The foregoing bills will be called up in the order cited.

Conference reports may be brought up at any time.

Any further program or changes in the program will be announced later.

Mr. MARTIN. I take it from what the majority leader has said that that does not preclude the taking up of other legislation, if it is ready to be acted on next week.

Mr. McCORMACK. That is correct. Of course, I am expressing my own personal opinion and offering it gratuitously, but there is no reason in my mind why we should not be able to adjourn 2 weeks from Saturday—having in mind the legislation pending. As I say, I am expressing only my own personal opinion as to what I think the Congress should do and what I hope the Congress will do so that we can get through with the program for this session, so that we will be able to adjourn 2 weeks from next Saturday.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to my colleague from Massachusetts.

Mr. NICHOLSON. I thank the distinguished minority leader, my colleague the gentleman from Massachusetts.

Have any plans been made by the leadership to adjourn a week from next Saturday?

Mr. McCORMACK. I am only expressing my own personal opinion.

Mr. MARTIN. The gentleman from Massachusetts [Mr. McCORMACK] just said that he hopes we can adjourn 2 weeks from Saturday.

Mr. McCORMACK. And I went even further than that to say that I do not see any reason why we cannot. But, that is my own personal opinion.

Mr. MARTIN. I believe that we can get the gentleman from Cape Cod back to the seashore by August 1.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, prior to the colloquy concerning the legislative program between the two gentlemen from Massa-

chusetts [Mr. McCORMACK and Mr. MARTIN], action was taken by the gentleman from Michigan [Mr. RABAUT] raising a point of order against the language on page 10 starting on line 7 to line 21, which language relates to military construction for the Air Force. That point of order was conceded by the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON]. I want to call the attention of the committee to exactly what has happened in these brief moments. By that action there has been stricken from this bill \$959,929,000 for needed bases for our Air Force. These are bases scattered all over the world both here in the United States and abroad. They provide, among others, necessary facilities for our strategic Air Force and for our air defense command and for our farflung radar centers. Mr. Chairman, even though consistency may be a virtue and even though the gentleman from Michigan [Mr. RABAUT] has said that he is not going to play any favorites, I can hardly see how anyone who is so vitally concerned with the defense of our country, as he has expressed himself to be, cannot for once be inconsistent. The situation which faces us, inasmuch as the Committee on Rules did not grant a rule waiving points of order, has been thoroughly explained. I can very well understand why, perhaps, if a member of the Committee on Rules thought that certain points of order should not be waived that they might be present today raising those points of order. But the gentleman from Michigan is 1 of 50 members on the Committee on Appropriations. That 50-member Committee on Appropriations reported this bill out unanimously. The 15 members of the Military Appropriations Subcommittee reported out this military construction item unanimously. To let some personal pique or peeve interfere with the defense of our country is something that, for the life of me, I cannot understand. If it were possible, Mr. Chairman, I would plead with the gentleman from Michigan for whom I have a great personal regard, to relax his determined consistency and ask unanimous consent that the committee go back and start to reread the portions of the bill relating to military construction, and then not raise points of order against these sections providing for much needed and strategic vital military construction.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. RABAUT. Even if the money were in the bill, it still has to go to the Senate.

Mr. SCRIVNER. The gentleman's comment raises the point that some of us talked about in committee. We felt it was not the wise and fair thing to do to put military construction funds in a supplemental bill, but that we should be allowed to bring it out as a separate military construction bill. However, we were asked to speed up hearings and prepare all of this and bring it in in this supplemental bill. I am positive that if this measure had come up as a military

public works bill there would not have been a single objection raised to it, even though the authorization legislation, due to delays over which the Committee on Appropriations has no control, and certainly over which the minority in the House has no control, even though the authorization had not yet become law, I know there would not have been a single voice raised objecting to the passage of this bill so that they could have this much needed public defense construction.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CHENOWETH. Mr. Chairman, I move to strike out the last word. I dislike to take the time of the Committee at this late hour, but I want to discuss the Air Force Academy briefly.

I am concerned about the action of the committee in denying funds to continue the construction of the Air Force Academy, which is to be located near Colorado Spring, Colo., in my district. I know there are other Members of the House who are equally concerned, because the Air Force Academy has been the subject of great interest over the years. Many Members have been stressing the need for an Air Force Academy and are anxious to see the Academy completed at the earliest possible date. I want to commend the chairman of the subcommittee, the gentleman from Texas [Mr. MAHON], for the diligent manner in which his committee checked the many details of the Air Force Academy. I have read the hearings and I have been very much impressed with the thorough manner in which you have inquired into the many phases of the construction program of the Air Force Academy. I understand the committee is not opposed to the construction of the Academy, but does have some question concerning the architectural plans and designs of the Academy. I am aware of the criticism of the model of the Academy which was first placed on exhibit last May.

On Monday of this week, along with other Members of the House, I had the great privilege of seeing the first class of air cadets sworn in at Denver, Colo. The temporary Academy is located at Lowry Air Force Base in Denver. We visited the different buildings which have been prepared for these 306 cadets who come from every State in the Union. It was an inspiring sight to see these boys take their oaths. They are a fine group. The present quarters are adequate and will be comfortable. However, as the number of cadets increases from year to year it will be necessary to have the permanent buildings as soon as possible. I have discussed the action of the committee with the Secretary of the Air Force, Mr. Talbott. He informs me that he has issued instructions for the architects, and also the consultants who have been working with them, to come to Washington next Monday and they will appear before the Senate Committee on Appropriations to present an architectural plan for the Academy. Mr. Talbott hopes at that time they will have a plan and design for this Academy which will meet with our approval.

There has been considerable criticism of the designs of some of these buildings. Some of you have seen the exhibit which was on display at the Fine Arts Center in Colorado Springs, and which has now been moved to the site of the temporary Academy in Denver. I might state that these models were preliminary in nature and were never intended to be the final pattern.

As I remarked to the chairman of the subcommittee I took special pains to look at the chapel in this exhibit, which has been the subject of so much comment. A change in design has been made and I believe the cause of much of the criticism removed. Many other changes will be made. I have not been happy with all of the architectural designs. However, I feel it is most important to proceed with the construction of this Academy so that the permanent buildings will be ready in 1957 as scheduled. I am anxious to see the necessary funds provided in this bill to carry on during the present fiscal year, so there will be no interruption in this work.

I personally feel that Secretary Talbott has tried in every way possible to carry out the wishes of Congress in the construction of this Academy. He appointed a board of six members, consisting half of civilians and half of military leaders, to select the architectural firm. An outstanding firm was selected. In addition the Secretary brought in three prominent architects to act as consultants. The Secretary advised this group that they would have to reach a unanimous decision before he would approve the final plan.

The Secretary was not satisfied with the first exhibit and so notified the architects. The complaint was received that the designs were too modernistic and that too much glass was being used. The Secretary informed me today that 40 percent of the glass has now been eliminated from the designs. I know of the enthusiasm of the Secretary to make the Air Academy the finest institution of its kind in the country, and he wants to get value received for every dollar spent.

I was happy that the subcommittee heard testimony on the water supplies at Colorado Springs. There has been a rumor that there would not be sufficient water for the Air Academy. I feel confident that the committee is now convinced that water is available. There have been repeated studies of the water supply and in each case the amount has been found to be adequate, and more. I was talking to the mayor of Colorado Springs just this week and he advised me that the present water storage is five times greater than it was at this time last year. The figures submitted to me by the city manager clearly show there will be a surplus of water for all present needs, including the Academy and all other military installations at Colorado Springs.

I am also sorry to see the committee delete the item of \$3,015,000 for construction at Ent Air Force Base in Colorado Springs. The Continental Air Defense Command is located at this base. I am advised that this money is needed in order to furnish necessary housing at

the base and an administration building. The committee indicates in its report that there should be a study of the effect of this construction on the water supply at Colorado Springs. In my opinion there is no question of the water supply. The city manager indicates a prospective use of about 20,000 acre-feet of water, including the Academy and all present military installations. He estimated that there will be available about 34,000 acre-feet, making a surplus of some 14,000 acre-feet over and above anything that is contemplated at this time. I am hoping that this item may be included in the bill before the final passage so that this work may be done this year.

Mr. Chairman, while there has been criticism of the architectural plans and designs, I have heard no criticism of the site that has been selected for the Academy. All of those who have visited the site are loud in their praise of the same. The cadets who will attend this Academy in the years ahead will receive inspiration from the majestic view they will have of the Pikes Peak area. I want to see the buildings in keeping with this beautiful and challenging site. I am confident this can and will be done.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. CHENOWETH] has expired.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

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 —, 1955 (Public Law —).

Mr. RABAUT. Mr. Chairman, I make a point of order against the language beginning in line 23, on page 10, and concluding in line 3, on page 11, on the ground that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 11 beginning in line 4 and concluding in line 9, on the ground that it is legislation on an appropriation bill and specifies additional duties.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language of section 304 beginning in line 10 on page 11 and concluding in line 18, on the ground that it is legislation on an appropriation bill and specifies additional duties.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language of section 305 beginning in line 19, page 11, and ending in line 2, page 12, on the ground that it is legislation on an appropriation bill and specifies additional duties.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to ask the gentleman from Indiana if it would not be in order and if he would be willing at this time to ask unanimous consent that the balance of the bill be considered as read with the right reserved to him to make such points of order as he deems in the best interest for the public interest, in order to conserve the time of the House for the rest of the day.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. As soon as the gentleman from Indiana answers my question.

Mr. DIES. But the gentleman does not come from Indiana; he comes from Michigan.

Mr. HOLIFIELD. I am so confused I placed the gentleman in the wrong State—not the state of confusion. I should have said the State of Michigan.

Mr. RABAUT. I am in such state that I have no hard feelings against anybody.

Mr. Chairman, I think such procedure would be confusing.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. DIES. Would not the more expeditious and sensible procedure be to strike out all after the enacting clause, quit this nonsense, and go home?

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. PHILLIPS. I did not understand the gentleman's suggestion. Were we to strike only those paragraphs to which the gentleman from Michigan objected?

Mr. HOLIFIELD. My request was that some gentleman on the committee ask unanimous consent that the bill be considered as read with the right reserved to the gentleman from Michigan to make points of order.

Mr. TABER. Mr. Chairman, I would have to object to that. The bill must be read by paragraphs.

Mr. HOLIFIELD. Under this situation, Mr. Chairman, I had not intended to take any time, but I am constrained to take a little time as long as the time of the House is being taken.

Mr. Chairman, I have been in this body some 12 or more years and I hesitate to see the House engage in an act of futility such as we are engaging in this afternoon. I hesitate also to place myself between the millstones of the Appropriations Committee and the Rules Committee, both powerful committees of this body, committees before which every Member sooner or later has to appear with his hat in his hand to request consideration. But in this case I am just wondering where the equity of this procedure lies.

As a Member of the House I have many, many times suffered disappointment at the hands of the Appropriations Committee. Every Member of this House has suffered disappointment at the hands of that committee. Every committee of this House has suffered at the hands of the Appropriations Committee by seeing them perform the functions of a legislative committee. At the same time, we have suffered at the hands of the Rules Committee by their not giving us a rule that we thought and the majority of a legislative committee thought was desirable or in not giving us the kind of a rule we wanted. I cannot understand why the Members of the House this afternoon have to suffer and be ground to pieces between the millstones of the Rules Committee and the Appropriations Committee.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. SHEPPARD. I would like to ask the gentleman because of the manner in which he has expressed himself if during the years of his experience this has not been more or less the truth. When the Rules Committee has jurisdiction and in their wisdom presents a rule to the House, that could not pass and become effective unless the House acquiesced in it. Is that true?

Mr. HOLIFIELD. That is true.

Mr. SHEPPARD. So if the Appropriations Committee has transgressed upon the feelings of the membership of the House by and through the Rules Committee, there is ultimately vested in every Member of the House the power as to whether or not he or she shall vote for that rule.

Mr. HOLIFIELD. I certainly agree to that, but at least we have had a chance to vote on it. Under this procedure today we are not getting the chance to

vote upon these points in the bills. I concede that points of order could have knocked a lot of these things out and the gentleman from Michigan is certainly within his rights under the rules of the House. I am not complaining that he is breaking the rules, but we who have been in this body a few years realize that sometimes there have to be concessions made to the Rules Committee, to the Appropriations Committee and to the legislative committees in order that the business of the House may be accomplished. I hesitate to see the prerogatives of the House given up and transferred to another body in an appropriation bill of this kind. This procedure is in fact an abdication of our customary function and in effect places upon the other body our duties. I fear that it will set an unwise precedent.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all points of order on the remainder of the bill be waived.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

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).

Mr. RABAUT. Mr. Chairman, I make a point of order against section 306, line 3, page 12, down to and including line 7. The language is beyond the scope of the bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the next section of the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BERRY. Mr. Chairman, reserving the right to object, for the purpose of asking a question of the gentleman from Michigan. Public Law 776 passed in the 1954 session provided for the appropriation of \$5,384,000 under the Rivers and Harbors Flood Control Act. The Bureau of the Budget recommended that that amount be included in this supplemental appropriation bill under civil functions. My question is why was this not included in the appropriation.

Mr. RABAUT. We had no hearings on it.

Mr. BERRY. Would the gentleman have any objection to its inclusion?

Mr. RABAUT. If it is authorized, it will be taken up when it comes up in the other body. All of these other matters will be taken up, I will say to the Members of the House.

Mr. BERRY. It has been authorized?

Mr. RABAUT. Yes.

Mr. BERRY. And had it been included, it would not have been subject to a point of order?

Mr. RABAUT. It will be taken up in the other body.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

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; \$3,000,000, 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 titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505 (a) and 522 (c) 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 agencies 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.

Mr. RABAUT. Mr. Chairman, I make the point of order against chapter 4, beginning on page 12, line 8, and ending on page 15, line 24, on the ground that it is legislation on an appropriation bill and imposes additional duties.

Mr. CANNON. We concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

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, first session.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 17, beginning with line 10 and ending on line 21, on the ground that there is no authority in law.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CANNON. Mr. Chairman, the desire has been expressed on both sides of the aisle that we be allowed to consider these items as we come to them. Now, that is a very simple matter. I ask unanimous consent that all points of order be waived and that we proceed with the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. I object, Mr. Chairman. The Clerk read as follows:

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.

The Clerk read as follows:

General provisions

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.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language from line 3, on page 18, down to and including line 10, that it is beyond the scope of existing law.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

For an additional amount for "Operations," \$650,000.

Mr. EDMONDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDSON: On page 18, line 15, strike out "\$650,000" and insert "\$1,000,000."

Mr. EDMONDSON. Mr. Chairman, I have a related amendment to the following paragraph which would have the same effect of raising the figure in the bill to the Budget figure and ask unanimous consent that it may be read at this time and that the two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. EDMONDSON: On page 18, line 23, strike out "\$8,000,000," and insert "\$12,000,000."

Mr. EDMONDSON. Mr. Chairman, the simple effect of these two amendments is to restore the amount requested by the President and the budget for operations, for surveys, plans, and research, of the Federal Civil Defense Administration. I refer the membership of the House to the report of the committee at page 39 dealing with these items. Part of the first paragraph reads:

The additional amounts at this time are to initiate a program to obtain detailed evacuation, shelter, and other operational plans and related research for each of the critical target areas during time of danger.

The surveys, plans, and research relate directly to the 92 critical target areas in this country and the great pressing problems resulting from radioactive fallout.

For my own part, I confess to this House that I do not believe I have in the past given to the problem of civil defense the earnest attention to which I believe it is entitled. I doubt very much that the House of Representatives or any part of our Government until recent months has given to this pressing prob-

lem the attention it merits. Those of us who have been out to Nevada and who have seen the atomic bomb demonstrated and those of us who recently read the letter of the group of scientists who pointed out that we are at the very brink of extinction today from radioactive fallout; those of us who have carefully in recent months looked at this problem a second time should hesitate a long time before we cut the figures which the President has requested for this very urgent purpose.

The amount involved is less than one-half of 1 percent of this entire bill and yet this one-half of 1 percent may mean life or death, literally life or death, to millions of American citizens. If we have an atomic attack in the future and we have not laid full and adequate plans for civil defense and radioactive fallout, it will mean unnecessary death, destruction, and tragedy from one end of our country to the other.

This is not a great deal of money, as defense expenditures go. Personally I seriously doubt that it is enough—that is, the amount in the budget request. But I have been one of those who have at times criticized the President and this administration for not having an adequate civil defense program. How can we criticize in good faith an inadequate program and yet cut the amount which is requested for that program by one-third? I urge that this House allow the President at least the amount of money he requests for this program. Let not any of us be in a position some day of saying, "Well, we should have given him more money, because that meant life or death for millions of fellow-Americans."

I urge the adoption of these two amendments in order to restore the President's request on the budget items for civil defense.

(Mr. EDMONDSON asked and was given permission to revise and extend his remarks.)

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes, the 5 minutes to be consumed by the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. THOMAS).

Mr. THOMAS. Mr. Chairman, there are two amendments here. One seeks to increase the administrative costs from \$650,000 to \$1 million. Let us speak of that one first.

The Federal Civil Defense Administration has in the appropriation bill \$11,300,000, so with this additional \$650,000 we give them for administrative expenses for next year of approximately \$12 million.

Why do they seek this additional \$1 million? To implement a program seeking \$12 million additional in the form of a deficiency, but for 1956, for their new endeavor. Your committee instead of giving them \$12 million gave them \$8 million. Frankly, if we go strictly by their own justifications, we should not have given them the \$8 million.

They want to spend \$100,000 in 92 different cities, and they admitted they could not make these tests during the fiscal year 1956 in all of the 92 cities; maybe no more than 45 or 50 of them. If that be true, they need but \$6 million.

The other point is, How are they going to spend the amount they asked for? They asked to spend \$100,000 in each of the cities. "For what?" we asked. When they got through they said, "Well, frankly, we do not know. We are going to make some tests. We are going to count the people here. We are going to find out how many live on the east side, how many live on the north side, how many on the west side, and how many on the south side."

"Well, how much money is that going to cost you to do it?"

"Well, frankly, we do not know. It is an estimate." The local communities are not putting up 1 red cent.

I said, "Instead of spending that money, go to the local communities and they will tell you now where they live. They will tell you now how many bridges you are going to have to cross in the north side of town to get over to the south side of town. The local traffic department in that city already has that information."

So, Mr. Chairman, we have been very generous with them here. There is no question about that. They cannot possibly make these studies in 1 year in all of the 92 cities. So if you are going to change this figure of \$8 million, you ought to cut it down a couple of million more, and cut down the administrative expense accordingly.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from California.

Mr. PHILLIPS. May I say that the minority side concurred with that, and thought it would be difficult to spend that amount of money in fiscal 1956. When we adjourn 2 weeks from tomorrow, and I say that hopefully, we are not adjourning forever; we are coming back in January.

Mr. THOMAS. That is right.

Mr. Chairman, I ask for a vote on both of the amendments. They go hand in hand.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oklahoma (Mr. EDMONDSON). The amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL SERVICES ADMINISTRATION
Sites and planning, purchase contract, 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 million, 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.

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.

Expenses, general supply fund

For an additional amount for "Expenses, general supply fund," \$1 million, 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.

Operating expenses, National Archives and Records Service

For an additional amount for "Operating expenses, National Archives and Records Service," \$100,000.

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)).

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 19, lines 1 to 23, inclusive, and on page 20, lines 1 to 18, inclusive, on the ground that the language is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 22, lines 4 to 10, inclusive, on the ground that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

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 at 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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language of the bill on page 22, lines 11 to 24, inclusive, on the ground that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 23, beginning at line 7 down to and including line 15, on the ground that there is no authority in law for such language.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Mr. Chairman, there is authority for a Mexican farm-labor program. This provides money for that program. There is a Mexican-labor program at the present time.

The CHAIRMAN. The gentleman from Missouri [Mr. CANNON], as chairman of the Committee on Appropriations, has conceded the point of order. The Chair is constrained to hold the point of order is well taken and sustains the point of order.

Mr. JONES of Missouri. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Mr. Chairman, the fact that someone concedes a point of order, notwithstanding that legislation is on the statute books authorizing the appropriation, does not mean that the concession would necessarily prevail; does it?

The CHAIRMAN. The Chair has not ruled on the point of order merely on the basis of the fact that the point of order is conceded. If the gentleman will cite the authority of law authorizing this appropriation, the Chair will be glad to hear the gentleman.

Mr. JONES of Missouri. Mr. Chairman, I do not carry my law in my pocket.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

Wage and Hour Division
Salaries and Expenses

For an additional amount for "Salaries and expenses," \$1,100,000: *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.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language on page 23, line 16, down to and including line 23, that there is no authority in law for the appropriation.

Mr. CANNON. I concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

For expenses of the Commission in connection with the purchase and construction of plant and the acquisition of equipment and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1954, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of aircraft; purchase (not to exceed 479 for replacement only) and hire of passenger motor vehicles; \$138,577,000 to remain available until expended: *Provided*, That only \$37,400,000 shall be available prior to the enactment into law of H. R. 6795, 84th Congress.

Mr. DURHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURHAM: On page 25, line 14, after the last word in line 13 strike out the figure "\$138,577,000" and insert the figure "\$163,577,000."

Mr. DURHAM. Mr. Chairman, it is getting late, but I think this body should take time to consider items that seriously affect a program such as atomic energy.

Now, what does this bill do? It simply cuts our peacetime development of atomic energy reactors. What are reactors? Reactors are key parts of the atomic energy program. This joint committee of yours has insisted that the Commission develop the most outstanding program which will probably ever be developed in this world on reactors. It has been said that this program is not definite enough. When we adopted the peacetime act last year to go into the development of power, we knew we would have to have a number of reactors. We also knew we would have to have more out in the Idaho test station. This \$25 million request was gone over with a fine-tooth comb by your joint committee that first authorized this item. We felt very much as some members of the Committee on Appropriations felt, that probably this thing was rather undefined, but when you begin to look at it and go into it, it is a basic research program. It is one you have got to carry out if you expect to be in the forefront of the development of atomic energy for peaceful purposes. We are in a field today by which a type of reactor would come into being overnight that would mean the expenditure of funds. That applies to research and development reactors, among other things. I am asking that this \$25 million be restored. I could talk about it for hours, and your joint committee has gone into it carefully. We did not authorize these items without first trying to justify them on the basis of whether or not they could be used. The funds this amendment adds may also be used for development of reactors for research in cancer, in medical fields, and in metallurgical testing fields.

I hope this House will restore this item to the measure which is before us this afternoon. If it were not so important I would not take the time of the House

at this hour of the day and with all the confusion we have seen here this afternoon. I have been here quite a long while, and I have not seen anything like what we have had here this afternoon; but that is neither here nor yonder; we are here and we are with it.

But let us not destroy this program. I would not say it would destroy it, but it will damage it to a point where it will slow down and we will be in the position of not being in the forefront of the development of atomic energy which we all know is so important.

Let me now discuss the amendment and certain other points in the bill in a bit more detail.

Chapter IX of H. R. 7278 covers expenses of the Atomic Energy Commission in connection with the purchase and construction of plant and the acquisition of equipment and other expenses incidental thereto necessary to carry out the purposes of the Atomic Energy Act of 1954, as amended. I would also like to point out to the House that the substantive programs covered by these funds are authorized by H. R. 6795, Public Law 141, 84th Congress. Public Law 141 authorized the appropriation to the Commission of \$269,159,000 for the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion.

This was the first authorizing legislation passed in accordance with section 261 of the Atomic Energy Act of 1954. In addition, the present bill, that is, H. R. 7278, includes money for the purpose of acquisition of equipment not included in construction and which did not require authorization and so was not included in Public Law 141, and it includes money for the AEC headquarters building which was authorized by Public Law 31.

H. R. 7278 in total makes available \$55,123,000 less than the amounts contemplated by the authorizing legislation and budget estimates.

The excellent report of the Subcommittee on Public Works which accompanies the bill clearly identifies the programs and projects from which these funds have been cut. While I do not wish to dispute with the Appropriations Committee in their judgment as to the proper amounts to be allocated to these programs and projects, I would like to point out here that the joint committee went into great detail on the need for these programs and projects during hearings on authorizing legislation on May 2, 9, 10, and 31, 1955, and believes the amounts indicated in Public Law 141 for these projects are realistic and needed.

The Appropriations Committee has moreover, indicated it believes the objectives of these programs and the projects involved could be accomplished with somewhat less money. However, as I have said, I do believe that there are several reductions included in this bill which should be corrected. Specifically—and my amendment will correct this deficiency—the present bill does not include any money for project 56b (1), the reactor acceleration project which was authorized in Public Law 141. The

joint committee believed the \$25 million should be allocated for the purposes of this project. In its report the Subcommittee on Public Works of the Appropriations Committee said:

The committee is fully in accord with the philosophy and purposes of the power reactor development acceleration project but feels that insufficient data was presented to justify the budget request of \$25 million.

I cannot emphasize too strongly to the House that if we are to maintain our atomic leadership we must rapidly develop civilian power. To my mind this program measures second in importance only to the importance of production of nuclear material and the development of new and better weapons.

This program for civilian atomic power is one of the strongest weapons we have in the battle we are waging for the mind and hearts of men in the free world. So I am very happy that the committee is in full accord with this program. I also can understand to some extent the committee's reluctance to appropriate funds for the program because it is not fully and clearly identifiable at this time. There are technical developments which must be accomplished. The Commission has, therefore, not been able to supply the reactor or reactor's programs which the money under this item would be used for. Nonetheless the joint committee is in complete accord with the Commission's need for this money. This money will cover work on joint projects in industry; it will cover work pushing ahead on the type of reactor which for some reason industry does not consider amenable to develop with their own funds but which will be of national interest, and should be supported by the Government. It also might be used for development of a 10-megawatt reactor, a small reactor. The Commission is unable at this time because of the rapidly developing technological programs to say exactly where this money will be spent. But the joint committee has complete confidence that the money will be used only in accord with programs authorized by the Atomic Energy Act of 1954, and that any facilities required by the \$25 million will be constructed on Government-owned sites, and that if any of the money made available under this item is used to provide facilities or plant and equipment for the providing of research assistance in the atomic field, the title to those facilities will remain with the United States Government.

I cannot say too strongly that the joint committee feels that this program is a valid one. I urge, therefore, that funds for this project be added to this bill by the adoption of my amendment.

(Mr. DURHAM asked and was given permission to revise and extend his remarks.)

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret exceedingly to have to disagree with my good friend from North Carolina who is one of the Members of longest service and one of the most beloved Members of the House, and one in whose judgment I have the greatest confidence.

But, Mr. Chairman, here is an impossible situation. They asked us for this money for four firms, all of them private firms, all of them without any connection with the Government whatever. We said, All right, we are anxious to do anything that can be done to promote this important development. What do you propose to do with this money? They could not tell us. At least they would not tell us, and they did not tell us what they wanted the money for or what they would do with it if they got it; as a matter of fact they did not seem to know; they just thought it would be nice if Uncle Sam would just hand over this substantial sum of money, apparently without any definite plans at all. If they had any plans they did not take the committee into their confidence.

In the second place, Mr. Chairman, we have already made provision for research and development of this character. We have provided the Duquesne plant, at Pittsburgh, Pa., with \$32 million for this purpose. Now seeing that it is so easy to get money, four other groups rush in and want their handout, but no one would tell the committee what they are going to do with it. We can't appropriate money that way.

So, Mr. Chairman, the committee could find no reason why they should grant these additional funds. I hope the House will deny them.

Mr. COLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, before discussing the pending amendment I should like to take just a minute to clarify the situation with respect to appropriations for the Atomic Energy Commission.

Although this item of \$138 million is contained in the pending bill as a supplemental appropriation bill, actually so far as the Atomic Energy Commission is concerned this is the regular appropriation to the Commission for the purpose of plant expansion and construction. On yesterday the House completed action when it adopted the conference report on the public works appropriation bill, completed action on appropriations to the Atomic Energy Commission for operating expenses. The Atomic Energy Commission budget request of the Congress for operating expenses was approximately \$1,500 million. That was the smallest request for appropriations that the Atomic Energy Commission has ever submitted to the Congress in the last 6 or 8 years. Yet as it left the Congress yesterday the request was reduced by \$144 million or approximately a reduction of 10 percent in the operating expenses of the Commission.

What does that mean? Ninety percent of the operating costs of the Atomic Energy Commission are for making weapons, buying raw materials, processing raw materials, fabricating the weapons, and storing them. So when we cut the appropriation for operating expenses by that very severe amount of 10 percent we are placing in jeopardy, and in serious jeopardy, in my opinion, our production of atomic weapons which all of us must admit is largely responsible for the fact there is peace in the world today.

The argument may be made that the operating expenses of the Commission for the past 2 years actually have been 10 to 15 percent less than the money that was appropriated to them. That is true, but it has been occasioned by reason of the fact that the experiences which the Commission has had, the lessons it has learned out of its operations has resulted in its being able to effect savings. We cannot anticipate for the coming fiscal year that we will be able to make comparable savings in operations.

I say to you, Mr. Chairman, that when you reduce the operating expenses of the Atomic Energy Commission by as much as 10 percent you assume a serious responsibility.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. COLE. I yield to the gentleman from California.

Mr. PHILLIPS. I am not certain from the statement of the gentleman from New York nor from the statement of the gentleman from North Carolina whether this is just a general increase of \$25 million or it is for a specific purpose, having to do with the reactor department.

Mr. COLE. The purpose of the amendment offered by the gentleman from North Carolina, and now I may discuss that, is to reinstate the activity requested by the Commission and to have available \$25 million to give assistance in the development of peacetime reactors.

Mr. PHILLIPS. If it were a general addition, I might raise objection or question to it because there has been anywhere from 10 to 17 percent left over each year. There was only a 9-percent cut in this bill. But on that particular item there was some argument in the committee and I personally would raise no objection to the amendment offered by the gentleman from North Carolina, to apply to reactor development.

Mr. COLE. I am happy to hear that statement.

Mr. Chairman, for the past 3 years the joint committee has been pressing and demanding and whipping the Commission to get into the business of finding out to what extent this energy can be used for the good of mankind. The Commission has responded to that very effectively and cooperatively. It has laid out a program of one new reactor each year for the next 5 years. And let me tell you that there are as many types of reactors as, as one scientist put it, that you can put into a wagonload. What we are trying to find out is the best type, the most effective and efficient type. That can be done by the Commission doing it alone, as it is with the 5-year reactor program, or the Commission may do it by cooperation or in partnership with private capital. That is the purpose of the \$25 million. Naturally, the Commission does not know what private capital is going to come in to make propositions, therefore its request is necessary and certainly the objective is desirable.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. COLE. I yield to the gentleman from Missouri.

Mr. CANNON. In order that the Members of the House may pass upon

this question intelligently, I hope the gentleman will tell us why they would not tell the committee what they were going to do with the money, how they expected to spend it or for what purpose they were going to use it.

And if the House should appropriate money without knowing what it is being appropriated for.

Mr. COLE. I have just tried to indicate the impossibility of the Commission specifically telling the committee just how it is going to do it. It has made invitations, open invitations, to the public generally, to industry and capital, "If you have any idea of a new kind of reactor that you think will work and you are willing to put up some of your money with Government money, come in and tell us what it is; perhaps we can give you a little assistance." But I can assure you, Mr. Chairman, that whatever funds are contributed by the Commission in a joint effort with private capital, the Government's interests will be protected by the Government having a proportionate interest in whatever the reactor may be, and I urge the adoption of the amendment.

My distinguished colleague, vice chairman of the joint committee, has explained in some detail the background of the items covered by this bill for the AEC. I share his views completely.

The bill removes \$25 million which was authorized to be appropriated by Public Law 141 for the power reactor development in accordance with the President's atoms-for-peace program for harnessing atomic energy for peaceful purposes. The House will recall that one purpose of the revision of the Atomic Energy Act last year was to enable rapid development of atomic energy by Government and private industry. The passage of that act was a major step in the atomic-energy program and was, as it were, a pledge to the peoples of the world that we would harness the atom to the ways of peace. Of course, legislative acts and executive-branch programs are fruitless if there is no money appropriated for their purposes.

It is indeed a shallow gesture to, with one hand, authorize by legislative action the achievement of economic civilian power, and with the other hand withhold moneys necessary for its development.

I am aware of the concern, and I think it is a reasonable concern, in the minds of the members of the Appropriations Committee, that projects to be covered by the \$25 million are not clearly identified. I would only point that this is a rapidly developing technical field and it is not unreasonable that the Commission has not found it possible to completely identify each and every project it will support.

I think it is most reasonable to allow some flexibility to the Commission in this instance; to do otherwise would be to forward programs that the growing technological development might show not to be the best. But the Commission is absolutely certain that the program of civilian power will require about \$25 million for the purpose of acquiring and building plants and facilities and equipment.

My distinguished colleague has pointed out some of the programs and projects of the Commission. I do not intend to go in great detail and I do not believe it necessary to take up much of your time. I only want to impress with every power at my command upon the Members of this body that until we make available to the Commission adequate amounts of money for the development of civilian power, we will lose the race for the minds of men and we will sacrifice our atomic preeminence.

Let me point out that the first major break in our dealings with the Soviet Union, to my mind, has resulted from peaceful applications of the atom in the atoms-for-peace program. The \$25 million is crucial for program development because from it will flow economic uses of atomic energy which could be made to relieve the tensions in the rest of the world—the very tensions that require us to appropriate billions and billions for military armaments.

By cutting \$25 million from the appropriations to the Commission we may well sacrifice gains made to date—gains resulting from the pledge, not only by the President, but by Congress in passing the Atomic Energy Act of 1954, that we would with all expeditiousness pursue peace-time uses of the atom.

I urge you to reinstitute funds for this vital program.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

Mr. BAKER. Mr. Chairman, reserving the right to object, I have an amendment to this same paragraph, and I would object if it applies to that.

Mr. CANNON. Then, I will revise my request. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. BAKER. Mr. Chairman, further reserving the right to object, my amendment would be an amendment to the amendment.

The CHAIRMAN. The Chair will hold that the gentleman's amendment is not an amendment to the pending amendment, but can be considered as a separate amendment.

Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina [Mr. DURHAM] and concur in the remarks of my colleague, the gentleman from New York [Mr. COLE].

As to the remarks which the chairman of the Committee on Appropriations made, I very kindly suggest that he does not understand the problem that is involved here, and I say that in all kindness. The Atomic Energy Commission has a five-reactor program. These are small reactors, experimental research type reactors which they are building

and operating. Also, there have been at this time five of the big industrial companies who have offered to build reactors of different kinds. As the gentleman from New York said, there are many different kinds of reactors.

Now, this \$25 million which is included as the No. 1 item in Public Law 141, which was signed by the President yesterday, is an item for \$25 million for power reactor development acceleration. Now, that means in common language research and development by the Atomic Energy Commission for reactors which they are building and for research and development on any of the five or many more reactors which may be built by private industry. The Atomic Energy Commission has certain laboratories and facilities and scientists who are of top grade and who are in a class that can only do the type of research which may be necessary to make these different reactors work.

As the gentleman from New York [Mr. COLE] said, this would be a contribution on the part of the Atomic Energy Commission to research and development. It might be that any one of these reactors which are being built by industry at their own expense would run into scientific research problems which they could not solve because they do not have the physicists, nor the laboratories and facilities to do the experimental work. They would then go to the Atomic Energy Commission and the Commission would do that work for them. When they did that work for that specific corporation, however, the result of that research and development would be public property. It would be owned by the Government and every reactor builder in the United States would have access to that information free.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the chairman of the committee.

Mr. CANNON. May I ask, if that be the situation, why did they not tell the committee?

Mr. HOLIFIELD. I will answer the question. I hold in my hands the hearings on the authorizing legislation, hearings of the subcommittee of which I was chairman; on pages 7 and 8, pages 14, 48, and several pages thereafter, pages 53, 54, and 57, there is an adequate explanation by the Commission as to the purposes of this amount \$25 million.

Mr. CANNON. But there is no explanation in the hearings before the Committee on Appropriations.

Mr. HOLIFIELD. I cannot express myself on that because I was not there. But it has been adequately explored. It has been authorized by the Congress. It has been signed into law by the President. And I tell you in all seriousness that the elimination of this particular item of \$25 million will strike at the heart of the program of the 5 reactors which the AEC is building, and also the 5 reactors for which permits have been applied for by private industry. If I had additional time, I could go into this matter in greater detail.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Minnesota.

Mr. JUDD. It will also eliminate the possibility of acting favorably upon such applications as one from a big REA cooperative in my State that wants to join with the Atomic Energy Commission in building a small reactor for use at grassroots level. Maybe a reactor of such size cannot yet be made economically feasible. They want one that will produce about 60,000 kilowatts for use by the REA in Minnesota which has pioneered in this whole field. Failure to adopt the gentleman's amendment would make impossible that sort of cooperation for the peacetime use of the atom for the benefit of our own people.

Mr. HOLIFIELD. That is true. I respectfully suggest that this was a unanimous authorization by the Joint Committee on Atomic Energy. There is not one member of the subcommittee who did not go into this in great detail. The answers are contained in the hearings. We are all unanimous. I certainly hope that this \$25 million will be afforded to the Commission. The Committee on Atomic Energy will watch its expenditure. Under the law they have to keep us completely informed, and we will see that it is not wasted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I suppose the best speech I could make here at the moment would be to say that I fully corroborate the statements made by the other members of our joint committee, the gentleman from North Carolina [Mr. DURHAM], the gentleman from New York [Mr. COLE], and the gentleman from California [Mr. HOLIFIELD]. I sat through the committee hearings chaired by the gentleman from California [Mr. HOLIFIELD], as these reactor items were fully justified by the Atomic Energy Commission.

Without the amendment offered by the gentleman from North Carolina, there will be no funds in this bill to carry on the reactor program of the Atomic Energy Commission. This is one of the keys to our atomic leadership. If we are to maintain the lead in the atomic energy program throughout the world we must lead in the development of civilian power. The reactor program which is to be continued with the funds which will be appropriated by the House, if the amendment offered by the gentleman from North Carolina is adopted, is necessary to maintain this leadership. There is complete justification for the appropriation of these funds.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. HOLIFIELD. I call to the attention of the House the fact that there are five applications by industrial groups to build reactors. The first is for a 180,000-kilowatt-hour reactor to be built by the American Gas & Electric Co., the Bechtel Corp., Commonwealth Edison, the Pacific Gas & Electric Corp., and the Union Electric Co. They have joined together to build this tremendous power-producing reactor.

Then there is the Yankee Atomic Electric Co., composed of 12 New England companies, who are also going to build one.

Then there is the Detroit-Edison Co. and eight other power companies. These are all different kinds, I may say.

There is the Consumers Public Power District of Nebraska, which is a cooperative, that is going to build one.

Also, there is the Consolidated Edison Company of New York, which is going to build a reactor.

All of these reactors will depend on the research and development made possible by this \$25 million appropriation.

Mr. PRICE. The gentleman is absolutely correct. This is necessary for the success of our own Atomic Energy Commission's program. This program in private industry will fall flat on its face and cannot have any hope of success unless the Commission itself can carry out this program.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I want to emphasize that the amounts mentioned by the gentleman from California [Mr. HOLIFIELD] will be spent by the corporations he named and will supplement funds to be allocated by the Atomic Energy Commission from the amount provided for in the amendment.

Mr. PRICE. That is right.

I should like to comment briefly on the point raised by the gentleman from California. As a matter of fact, he contributed to our cause, because he pointed out that there may be some reason for confusion on the part of the House since we have submitted an amendment for a \$25 million increase in the overall appropriation. He wanted to be certain that this \$25 million applied to a reactor program. I think that is pointed out in the committee's own report. The committee said this:

The committee is fully in accord with the philosophy and the purpose of the power reactor development acceleration project, but feels that insufficient data was presented to justify the budget request of \$25 million. More specific information should be furnished as to how and where it is contemplated the funds will be expended.

This \$25 million is placed in here expressly to take up the \$25 million which the committee deleted on the reactor program.

I think, Mr. Chairman, that the Commission itself has given full justification to the Congress for its program.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from New York.

Mr. COLE. I was a little curious to know if the gentleman would not agree that failure to adopt this amendment would place in serious jeopardy the possibility, even, that this Government may maintain its leadership in the peacetime use of the atom.

Mr. PRICE. Yes. As I remarked at the outset of my statement here, I think if we are to maintain leadership it is important that we have it not only in the field of weapons but in the field of civilian

power. If we fail to adopt this amendment, we fail in that leadership.

Mr. BOLAND. Mr. Chairman, I rise in support of the amendment of the gentleman from North Carolina [Mr. DURHAM], the chairman of the Joint Congressional Committee on Atomic Energy. This is a request for \$25 million for plant and equipment in the civilian power-reactor program. As I understand it, this amount is a floating fund of \$25 million which, as the different reactor programs are developed, the Atomic Energy Commission may assign, on the judgment of the Commission, such amounts as it feels necessary for each of these reactor programs. If the power reactor development acceleration program is to go forward at all, this item is necessary. It is also a must for development projects of the Atomic Energy Commission itself, and is not tied down to industry alone. Without this fund, the Atomic Energy Commission could not go ahead with the various industrial power proposals that are now before it. One of these is that of the Yankee Atomic Electric Co., composed of 12 New England power companies. The application of the Yankee Atomic Electric Co. is now before the Commission. The failure to adopt this amendment would completely stymie the Atomic Energy Commission from giving the go-ahead signal to this New England enterprise as well as four other applications of similar nature presently before the Atomic Energy Commission. I trust the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. DURHAM].

The amendment was agreed to.

Mr. BAKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAKER: On page 25, line 14, after "to remain available until expended", insert "and \$2,900,000 which shall be available for the construction of a community hospital at Oak Ridge, Tenn."

Mr. BAKER. Mr. Chairman, the Atomic Energy Commission some months ago recommended a new hospital to be built at Oak Ridge. This recommendation was concurred in by the Bureau of the Budget. The hospital was authorized in the bill which we passed a few days ago, and was signed by the President this morning. There is a little hospital at Oak Ridge now. It was built in 1943 at the inception of the old Clinton Engineering Works with 50 beds. It has been built onto in every direction out of wood and fiberboard until it now has 300 beds. I have seen it time and time again and have been all through it. It is an absolute fire trap. Just a few days ago, and this was not publicized too much, a most serious explosion occurred at Oak Ridge injuring 22 workers who were immediately put in that hospital. They have 28 of the finest doctors in the world at Oak Ridge. They tell me that they will not operate that hospital if we dispose of Oak Ridge and do not give them a new hospital. They do not have the facilities. The Government is losing \$100,000 a year there now because it is absolutely uneconomical to run it

the way it is. Dr. Libby, the acting chairman of the Atomic Energy Commission, in a letter written just a few days ago to the gentleman from California [Mr. HOLIFIELD] strongly recommended this hospital.

I am sorry that I have to talk rapidly because too much cannot be said in 5 minutes, but the only objection in the committee report is that we are about to dispose of Oak Ridge and that, therefore, we should not build them a hospital on the very eve of disposal. Now that is true. I do not know whether we are going to pass the bill or not, but I hope so, and I hope that we will do it next week, but we do have a bill to make Oak Ridge a normal, American community, and it is estimated that when we sell these homes, of which there are about 6,000, the Government will realize about \$42 million. In this bill which I hope we will pass soon, we give them their municipal facilities including a fire department, schools and a hospital, but they will have no money. There is no industry at Oak Ridge and there is nothing on earth down there except these tremendous plants which, as you know, cost something a little under \$2 billion. Here you have a newborn child which we, the Congress, brought into being with no money to build a hospital. This is at a place which I consider to be the most potentially dangerous spot in the world today. That is Oak Ridge. I have had clergymen through the place, and I am sure a number of you also have. It is just inconceivable to me that we would for a moment not provide for this community of 35,000 people among whom are scientists from all over the world. There is not a man in this Chamber, in my opinion, who does not have a constituent or a former constituent there. The people who are at Oak Ridge come from practically every congressional district in the United States. The most important thing about this disposal program is that it must work. The people must be happy with it. According to the first bill that was introduced, the tax rate for the people in Oak Ridge would have been twice what the average American citizen pays in his local community. That is so because you have nothing to tax down there except these houses and very few business properties. Nobody knows what the in lieu of taxes will be.

It just seems to me to be of tremendous importance that funds for this hospital be included in this bill, for when early this year it was decided to transfer these facilities out of Government ownership, in the transaction was a new hospital. The people agreed in town meetings and other ways to accept the responsibilities of self-government, and a part of that integral and essential proposal was this \$2,900,000 hospital.

It seems to me it almost amounts to bad faith not to provide this hospital but just to say to them as the Appropriations Committee has that we will give them \$50,000—with all respect to the Appropriations Committee—that is what they did, they substituted \$50,000 to repair a firetrap—when we have hospitals of the most modern type all over

the United States in Army camps, in defense installations, and all over the world. I cannot emphasize too greatly the importance of this amendment and I do hope the additional \$2,900,000 will be appropriated.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes, the time to be allotted to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. COLE. Mr. Chairman, I object.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. COLE] is recognized.

Mr. COLE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I confess that when this item was before the Joint Committee my impulse and inclination was to be against it. I could not see why the Federal Government should build a brand-new hospital for this community which within the near future was going to be an independent community. I learned that this was an old hospital that was costing \$100,000 a year to maintain, and I realized that even though we may turn Oak Ridge loose as an independent community, we must, as a mother hen mothers her chickens, nurture and support this new community—it cannot go it alone, we have got to help it. So it is just a question of building a new hospital and saving \$100,000 a year over a course of 10 years, having the cost of the hospital repaid, give them the old dilapidated hospital and subsidizing the care and upkeep.

So I have reversed my thinking and support this item for the hospital at Oak Ridge and urge that you do so likewise.

The CHAIRMAN. The gentleman from North Carolina [Mr. DURHAM] is recognized.

Mr. DURHAM. Mr. Chairman, we have been very fortunate at Oak Ridge that we have not had a major catastrophe. It has been one of the most fortunate things in the world, because we all know what type of operation has gone on there for years. The present hospital is in such rundown condition that you would not want anyone that you knew to go to it.

We have been advocating turning this town over, letting it become independent, and we are going to do it, but that does not relieve us of the obligation of building a hospital at Oak Ridge, because that operation there is primarily our responsibility and we cannot take a chance on the employment of highly technical personnel which is worth millions and millions of dollars, yet today they could not be properly treated. I assure you of that fact; and I think we owe it to the community regardless of

what we do on turning it over to civilian ownership, which I am in favor of.

But let us build them a decent hospital there so that we may not some day wake up to face a disaster there and realize we have no facilities at Oak Ridge to meet it.

This amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pending amendment. The community known as Oak Ridge is before us with a request for \$2,900,000 for a hospital. They have a hospital down there that they have been using, but it has been rather expensive to use. That I want to concede to the Members who have made that point.

But Oak Ridge is to be sold. Is there any reason for the Congress to appropriate another \$2,900,000 to this community? We are going to take a tremendous loss when we sell it without adding \$2,900,000 more to it at this time. This year we allowed \$50,000 for any repairs they wanted to make. The last reported figures that we have showed that they had suffered a loss of \$78,255 in 1954.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BAKER].

The question was taken; and on a division (demanded by Mr. BAKER) there were—ayes 72, noes 44.

So the amendment was agreed to.

The Clerk read as follows:

General provision

SEC. 902. No money appropriated or otherwise made available by this or any other act shall be used for construction of transmission facilities for connection with generating or transmission facilities of the Mississippi Valley Generating Co., as contemplated by the so-called Dixon-Yates contract.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language appearing on page 25, beginning with line 18, down to and including line 24 that it goes beyond the scope of this bill.

Mr. CANNON. Mr. Chairman, we concede the point of order.

Mr. JONES of Missouri. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman briefly.

Mr. JONES of Missouri. Mr. Chairman, all that this is a limitation upon an appropriation bill. It says "no money appropriated or otherwise made available by this act shall be used for a certain purpose." If that is not a limitation I do not know what is and, therefore, I think the point of order should be overruled.

The CHAIRMAN. The gentleman overlooks in his statement the language in line 20, page 25, of the paragraph that makes it subject to a point of order "by this or any other act." The paragraph is definitely subject to a point of order, and the point of order is sustained.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. In other words, Mr. Chairman, if those words were eliminated the rest of it "no money appropriated or otherwise made available by this act" would be in order?

The CHAIRMAN. The Chair will pass on that when the question presents itself.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the language on page 26, and on page 27 up to and including line 41 on page 28 be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. WIGGLESWORTH. Mr. Chairman, I object.

The Clerk read as follows:

For an additional amount for "International contingencies," \$1,000,000.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the language on page 26 under the title "Department of State" to which I desire to address myself includes an appropriation of \$1,820,000. I assume that includes the appropriation for the education of the children of Foreign Service personnel. I wonder if I am correct.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from New York.

Mr. ROONEY. The amount requested for education abroad of Foreign Service officers' children was in the amount of \$600,000. The committee, because of the fact that admittedly the figures on which their request was based were 5 years old and because in one instance they talked of sending a youngster to a school in Switzerland where the tuition would be \$1,800 a year, cut the request in half with the idea that they must come up with some firm current figures when we meet again so that we may intelligently understand exactly what they propose to do.

Mr. GROSS. I thank the gentleman.

In view of the criticism heaped on the committee today, I want to compliment the gentleman from New York, Mr. ROONEY, chairman of the subcommittee, and the members of the subcommittee for cutting this amount by 50 percent in view of the testimony that was given to the committee. As I understand, they even proposed spending \$2,000 per pupil, that is, grade and elementary pupils, in order to send them to a boarding school.

Mr. ROONEY. I thank the distinguished gentleman from Iowa for his comment on the work of this committee. I want to point out that the Committee on Foreign Affairs of the House and the House itself and the other body and its committee authorized the expenditure of money for the education abroad of Foreign Service officers' children, and I propose to carry out the wishes of Congress. I am going to appropriate the money insofar as I am personally concerned, but I do want to make sure that we are getting full value for each taxpayer's dollar before I appropriate such money.

Mr. GROSS. I am sure we all want to do that. But, when you read the hearings and learn that \$240 is allowed dependents of servicemen and the State Department comes along and wants up to \$2,000 per pupil for educational purposes, in other words, wants the taxpayers to send their children to school, provide them with uniforms if uniforms are required, and feed and board them while they are in some foreign school. I say that that is entirely inconsistent and the taxpayers of this country should not be saddled with any such deal.

Mr. ROONEY. The subcommittee developed these things in the course of the hearings, and as the result of the things developed and the fact that the proposed program was based on figures 5 years old, cut the amount requested in half.

Mr. GROSS. I thank the gentleman.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to point out, since the Committee on Foreign Affairs has been mentioned, as I recall, when the bill was before the Committee on Foreign Affairs it only provided funds in case there were no schools available, in hardship posts, in order to send them to some base in order to get them into a suitable school.

Mr. GROSS. I will say to the gentleman that when the Department of State came before the Committee on Foreign Affairs, they asked for \$442,000 and a few days later, when they came before the Committee on Appropriations they asked for \$600,000.

Mr. HAYS of Ohio. I am not disputing that; neither am I taking issue with the gentleman from Iowa or the gentleman from New York. But I just wanted to point out to you what the intent of the Committee on Foreign Affairs was, and if the State Department tried to go beyond that, then I am glad we have watchdogs around here to look after the situation.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I am wondering if this \$233,000 to be made available for rents in the District of Columbia is for office rent for the State Department, if the gentleman knows. I think that should be made clear to the House.

Mr. ROONEY. Mr. Chairman, I did not hear the question asked by the gentleman from Mississippi.

Mr. GROSS. The gentleman is inquiring as to the \$233,000 available for rents in the District of Columbia.

Mr. ROONEY. That is a provision which applies to the passport-office and agency of the Department of State. The building in which they are presently located, the Winder Building on 17th Street, is altogether inadequate. It has become dilapidated. It is in very poor repair. This money would provide for their moving and occupying a new and justified location.

Mr. GROSS. Mr. Chairman, I want to call attention to another item that

has just been read by the Clerk, "International contingencies," an appropriation of \$1 million.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes.

Mr. ROONEY. That appropriation is for the purpose of the so-called summit meetings and would provide for the top level meeting and five subsequent Ministers meetings and another set of meetings at a third level. The subcommittee thought we had no alternative but to furnish the funds for these meetings, and in the report directed that if the money is not used exactly as was justified before the committee that the Department of State shall see that the money reverts to the Treasury.

Mr. GROSS. May I say to the gentleman that it is my opinion that there are enough special funds kicking around in the executive department and the Department of State that the expenses of this summit meeting and other conferences incident to that meeting could very well have been paid without coming to the committee for a special \$1 million appropriation.

Let me say one other thing. It is my understanding that there is another entertainment allowance or fund set up within this \$1 million appropriation. This House just a few days ago, voted \$575,000 for entertainment for the State Department. I opposed it.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. GROSS asked and was given permission to proceed for 1 additional minute.)

Mr. GROSS. Mr. Chairman, this House just voted \$575,000 for entertainment for the Department of State. I think we all understand what entertainment means, in a large measure. We are asked to vote another \$1 million here in another contingent fund, and I know that there is some more entertainment money earmarked in this item of \$1 million. Where is this business of entertainment in the Department of State and elsewhere in Government going to stop? That is the question I would like somebody to answer.

Mr. ROONEY. May I say that the gentleman from New York understands what the gentleman from Iowa is speaking about, but only in a small measure.

Mr. GROSS. Yes, I know you do. But it is still going on, and we have already voted \$575,000 for that purpose.

The Clerk read as follows:

For an additional amount, fiscal year 1955, for "Salaries and expenses, claims of persons of Japanese ancestry," \$275,000, for the payment of claims authorized by the act of July 2, 1948 (50 U. S. C. 1981-7).

Mr. GRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: On page 26, after line 21, insert the following: "Federal Prison System, buildings and facilities: For an additional amount for buildings and facilities \$17,100,000."

Mr. ROONEY. Mr. Chairman, I am constrained to make a point of order against the amendment offered by the gentleman from Illinois, but I reserve

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that point of order so that he may be recognized.

Mr. GRAY. Mr. Chairman, I join with my colleague from North Carolina [Mr. DURHAM] in apologizing to the committee for offering an amendment at this late hour. I know everyone is tired and it is getting late. That seems to be the story of my life. I am always a day late and a dollar short. But I shall briefly explain my amendment.

This amendment would add to this supplemental appropriation bill \$17,000,000 for the construction of two Federal penitentiaries that are badly needed in this country. One would be a close-custody reformatory, for \$7,500,000; and another would be a maximum-security penitentiary for \$9,600,000.

This request was submitted to the Committee on Appropriations by the Department of Justice. It was approved by the Bureau of the Budget.

In connection with the point of order, I would like to state that the reasons given by the committee for not reporting this item out, according to the hearings is this. They say:

The committee is of the opinion that this is an item which should be a part of the regular annual budget submission rather than a supplemental request.

As far as the authorization is concerned, I cannot of course rule on that, but I think certainly this is in order. I should like to have a ruling at this time, if I may, whether or not it is in order. There is no use of my putting up an argument for this appropriation if it is out of order.

The CHAIRMAN. Does the gentleman from New York renew his point of order?

Mr. ROONEY. I do, Mr. Chairman.

The CHAIRMAN. Does the gentleman from New York contend that there is no authorization for this construction?

Mr. ROONEY. That is the committee's position.

The CHAIRMAN. Does the gentleman from Illinois know of any statute authorizing the construction of these buildings?

Mr. GRAY. Nothing other than that the Bureau of Prisons holds the belief that authorization is contained in their regular Justice Department laws now in effect allowing security facilities to be built. This of course would come under the Justice Department, in building Federal penitentiaries. I brought this question up with the Parliamentarian, and no one seemed to know exactly whether this had come in form of an authorization from the committee or whether they could request direct funds for the present prison system.

The CHAIRMAN. As the gentleman from Illinois realizes, the burden is on the gentleman from Illinois to advise the Chair of legislation authorizing this construction. If the gentleman is in position so to advise the Chair, the Chair would appreciate his doing so.

Mr. GRAY. I am sorry, Mr. Chairman, I do not have that, other than the fact that I did try to run it down and find out if it was authorized. I took the committee report to mean that it was authorized, because they held extensive

hearings on it and said the only reason they were turning it down was that they felt it should come up in the regular appropriation and not in the supplemental appropriation bill. So I would take it from this report that they meant it was authorized, otherwise there would have been no point in holding hearings on the appropriation.

The CHAIRMAN. In view of the fact that no specific legislation authorizing the construction of these buildings has been submitted to the Chair, the Chair is constrained to hold that the point of order made by the gentleman from New York is well taken. Therefore, the Chair sustains the point of order.

Mr. GRAY. I thank the Chair for the ruling.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do want to point out why the subcommittee at this time denied the requested \$17 million for these two new penal institutions. In the first place, the Bureau of Prisons would not definitely state whether or not they planned to close the maximum security prison at Alcatraz which is now occupied below capacity and in the second place, I here hold in my hand the entire justification for this request for \$17 million. This is the front cover, and I take that off. I take off the back cover, and we now have the small two-page justification for an expenditure of \$17 million of the taxpayers' money. A proposed expenditure such as this requires some looking into, and should be considered in a regular, not a supplemental bill.

The Clerk read as follows:

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, \$5 million, 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.

Mr. RABAUT. Mr. Chairman, I make the point of order against the language appearing on page 28, lines 5 to 16, inclusive, that it is not authorized by law and is legislation on an appropriation bill.

Mr. CANNON. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, next week President Eisenhower goes to Geneva to begin negotiations with the Russians aimed at bringing about a lessening of world tension and reaching some sort of *modus vivendi* with the Soviet Union. As many of us said on this floor last Tuesday, we wish him well and hope that he has great success in this supremely important venture.

Whatever the nature or degree of success at Geneva, however, I think we can all safely assume that the United

States will still be faced with the challenge of competitive coexistence with communism, to use the phraseology of William Randolph Hearst. This struggle has been going on for several years and seems likely to continue into the indefinite future. One of the most important aspects of this competitive coexistence lies in the field of cultural relations. For years the Communists have been charging the United States with being a nation of materialistic barbarians. Their campaign, until recently, had met with much success as we had done little or nothing to combat it. Today we are being asked to vote money for the continuance of the President's Emergency Fund which is used to counter the propaganda offensive the Russians are waging against us. To date, our program has been a great success, but it has now used up the money at its disposal. We have, therefore, been asked to provide an additional \$5 million to continue this supremely important and worthy program.

Five million dollars is certainly a great deal of money in terms of our own individual pocketbooks, but in terms of national defense, it is almost in the nature of a drop in the bucket. For example, one battleship is likely to cost several hundred million and an aircraft carrier of the *Forrestal* type takes over \$200 million to construct. In today's divided world, the battleships and the carriers are vitally necessary, but I would maintain that our cultural weapons are equally important, especially in a struggle which is as much ideological as it is military.

The funds we are asked to vote today are a very important part of our defense effort. They are also part of a great program we have launched to build understanding between our people and the other peoples of the world, in the hope of establishing a future in which battleships, bombers, and carriers will be obsolete.

The trade fair program and the cultural offensive have been tested by time and have more than proven their value. To cite only one example, let me call to your attention the tour recently undertaken in the Far East by the NBC Symphony of the Air. As one Far Eastern expert pointed out following this tour, the orchestra changed almost overnight the attitude of the Asian peoples toward the United States. It may seem unlikely that such a change could have been effected so quickly, but when one considers the numbers of people who were able to hear the orchestra, the people with whom they discussed the event and the fine reviews and comments in the newspapers, it is perhaps not quite so surprising. This was the first great Western symphony to visit the East and it was American. What better way could there be to combat the Communist charge that we are "materialistic barbarians"?

The trade fairs in various European countries have been another important source of favorable reaction to the United States. Initially, we did not take part in these showings of industrial might. The Communists were then able to walk off with many of the honors and

convinced people quite easily of the superiority of their own system. Since we have entered this competition, we have garnered top honors time after time in public reaction and as a result the Russians have refused to participate in several such fairs when they discovered the United States would exhibit.

Quite obviously, the peoples of the world are intensely interested in the American way of life. This is well illustrated by the fact that two of the most popular volumes in the United States Information Agency's libraries overseas are the Sears, Roebuck and Montgomery Ward catalogs. Both are literally thumbed to pieces, though obviously not for the same reason that they are here in the United States. What better example of the interest in our life can be given? How much better this interest is when, through the trade fair programs, the actual goods are shown, not just pictures of them.

In reporting out this bill, the Committee on Appropriations stated that over \$2¼ million of last year's \$5 million remained unobligated as of June 1. This was technically true as of that date in that formal contracts had not been signed. However, firm plans for definite projects had already been made for most of this amount.

For example, some \$400,000 was definitely committed on the books of the Department of State for a tour by the Porgy and Bess company in South America, and some \$120,000 for a similar tour by the Martha Graham Dance Group.

Therefore, the implication that the original fund is still almost 50 percent intact is far from a fact. As of now, only \$4,697 of the State Department's funds remain unobligated. The portion of the fund assigned to the Commerce Department was \$2,592,456. Yesterday the Department addressed a letter to the United States Information Agency asking for an additional \$295,000. In other words, Commerce has not only committed its entire portion, but will also need an additional quarter of a million dollars by the end of this month.

I think these figures effectively show the definite need for this money. I hope the arguments I have advanced show what a useful and important weapon these funds are in meeting the challenge of competitive coexistence. As the Washington Post said in an editorial this morning:

We can think of no better or more inexpensive way to advertise America's good name overseas.

(Mr. THOMPSON of New Jersey asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Corporation

Federal Facilities Corporation Fund

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."

Mr. RABAUT. Mr. Chairman, I make a point of order against the language of the bill appearing on page 9, beginning on line 10 down to and including line 15, on the ground that it goes beyond the scope of the bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read:

The Clerk read as follows:

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 SE. (including instruments for receiving alarms and connecting said house to the fire alarm system).

Mr. RABAUT. Mr. Chairman, I make a point of order against the language appearing in the bill beginning on page 31, line 20 down to and including line 9 on page 32, on the ground that the language goes beyond the scope of the bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

CHAPTER XIII

LEGISLATIVE BRANCH

House of Representatives

General Provision

Sec. 1301. After June 30, 1955, salaries of employees of the Committee on Appropriations of the House of Representatives shall be fixed on the basis of grades and rates of compensation provided by the Classification Act of 1949, as amended, in such manner as the Committee may determine.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language in the bill appearing on page 32, line 16, down to and including line 25, on the ground that it is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

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";

Bureau of the Census: "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 expense";

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. RABAUT (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that all of the language on pages 34, 35, 36, 37, and 38 be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan to dispense with the reading of the remainder of the bill?

There was no objection.

Mr. RABAUT. Mr. Chairman, I make a point of order against the language of the bill starting on page 34, line 1, and including all of pages 35, 36, 37, and 38, on the ground that the language goes beyond the scope of the bill and is legislation on an appropriation bill.

Mr. CANNON. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The Chair sustains the point of order.

Mr. EVINS. Mr. Chairman, the pending supplemental appropriations bill represents the considered judgment of the members of the various subcommittees and the full Committee on Appropriations with regard to additional funds needed at this time by various agencies of the Government, including the Department of Defense.

The supplemental funds for the Defense Department has been discussed at length and further detailed discussion appears unnecessary. The recommendations of the Committee on Appropriations should be supported in this regard.

With respect to the work of the Subcommittee on Independent Offices on Appropriations the committee has recommended funds in the amount of \$15 million additional for acquiring lands, drawing up plans and specifications and such for public buildings, including post-office buildings, under the Public Buildings Purchase Contract Act.

The committee has urged the General Services Administration to go forward with greater acceleration in this important and needed work. There have been

practically no Federal buildings provided for the past 12 to 15 years and the time has come when we should move forward in the direction of meeting this great existing need.

The Public Works Subcommittee on Appropriations has recommended \$138,-577,000 additional for the Atomic Energy Commission and its many defense-supporting programs. In addition it should be pointed out that the AEC has available to it some \$101 million in unobligated funds available from prior authorizations.

Mr. Chairman, while it is generally recognized that the provisions of section 902, page 25 of the bill constitutes legislation in connection with the pending appropriations bill, I would like to point out that this is language that is both needed and desirable and should not be deleted from the bill.

It was the intent of the committee, clearly and definitely, that no funds appropriated should be used for the purpose of construction of any power transmission lines for the now defeated Dixon-Yates scheme. In view of the President's recent action canceling the Dixon-Yates contract, it is not to be expected that any funds will be needed or used for this purpose. The committee wanted to tie the matter down in definite terms and so as not to be misunderstood and so have put into the bill the language to which I have referred. I trust that the bill will be approved.

Mr. CANNON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The question is on the amendments.

The amendments were agreed to.

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

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

Mr. FORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FORD. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. FORD moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 24, line 13, strike out "\$50,000" and insert in lieu thereof "\$150,000."

Mr. CANNON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed; and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CORRECTION OF SECTION NUMBERS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the clerks of the Committee on Appropriations be authorized to correct section numbers and headings in the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RUFINO MERINO JIMINEZ

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (S. Con. Res. 48) authorizing a change in the enrollment of S. 63.

The Clerk 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. 63) for the relief of certain alien sheepherders, to make the following change, namely: On page 1, lines 4 and 5, strike out the words "Rufino Merino Jiminez" and the comma.

The Senate concurrent resolution was concurred in; and a motion to reconsider was laid on the table.

AMENDING NATIONAL LIFE INSURANCE ACT OF 1940

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1617) to amend section 622 of the National Service Life Insurance Act of 1940, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 18, after "clause" insert "except that premiums shall not be automatically waived with respect to any policy where the amount of the dividend earned would exceed the amount of the premium waived."

Mr. MARTIN. Mr. Speaker, reserving the right to object, is this the bill about which the gentleman spoke to me?

Mr. ASPINALL. The gentleman is correct.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. COOPER submitted the following conference report and statement on the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, for printing under the rule:

CONFERENCE REPORT (H. REPT. No. 1188)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following amendments:

Restore the matter proposed to be stricken out by the Senate amendment and, on page 1 of the House engrossed bill, in line 11, strike out "section 106" and in lieu thereof insert the following: "section 106 (a) (8)". On page 1 of the Senate engrossed amendment, in line 3, strike out "Sec. 2." and in lieu thereof insert "Sec. 3."

On page 2 of the Senate engrossed amendment, in line 6, strike out "for civilian, industrial, or commercial" and in lieu thereof insert the following: "for general civilian industrial or commercial".

On page 2 of the Senate engrossed amendment, in line 16, strike out "Sec. 3." and in lieu thereof insert the following: "Sec. 4."

On page 3 of the Senate engrossed amendment, strike out lines 4 to 7, inclusive, and in lieu thereof insert the following:

"(b) The amendments made by subsection (a) shall apply only to contracts with the Departments made after December 31, 1954."

On page 3 of the Senate engrossed amendment, in line 8, strike out "Sec. 4." and in lieu thereof insert the following: "Sec. 5."

On page 3 of the Senate engrossed amendment, in line 19, strike out "Sec. 5." and in lieu thereof insert the following: "Sec. 6."

On page 4 of the Senate engrossed amendment, beginning with line 19, strike out all through line 2 on page 7.

And the Senate agree to the same.

JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,

Managers on the Part of the House.

HARRY F. BYRD,
WALTER F. GEORGE,
ROBERT S. KERR,
By HARRY F. BYRD,
E. D. MILLIKIN,
EDWARD MARTIN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment proposed to strike out section 2 of the House bill and insert in lieu thereof five new sections numbered 2 to 6, inclusive.

Section 2 of the House bill proposed to amend section 102 (d) of the Renegotiation Act of 1951. This subsection provides that the profit-limitation provisions of the act of March 27, 1934, as amended and supplemented (the Vinson-Trammel Act), and of section 505 (b) of the Merchant Marine Act shall not apply to contracts or subcontracts if any of the receipts or accruals therefrom are subject to the Renegotiation Act of 1951. Under the amendment proposed by section 2 of the House bill, these profit-limitation provisions also would not apply to contracts or subcontracts if any of the receipts or accruals therefrom would be subject to the Renegotiation Act of 1951 except for the provisions of section 106 (a) (8) (relating to exemption of standard commercial articles and standard commercial services).

Section 2 contained in the Senate amendment amended section 106 (a) (8) of the Renegotiation Act of 1951, which exempts contracts and subcontracts for the making or furnishing of a standard commercial article, so as to provide a similar exemption for a standard commercial service. This provision, like that previously enacted with respect to the standard commercial article exemption, is made applicable to contracts with the departments and subcontracts to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1953. The conference agreement retains this provision, with a clarifying amendment, as section 3 of the bill.

Section 3 contained in the Senate amendment provided for a mandatory exemption of competitive-bid construction contracts similar to the exemption contained in subsection (1) (1) (E) of the Renegotiation Act of 1943. Under the Senate amendment this provision would have applied to contracts with the departments and subcontracts to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1954. The exemption provided by the Senate amendment was made not applicable to military housing construction financed with a mortgage or mortgages insured under the provisions of title VIII of the National Housing Act as now or hereafter amended. Section 3 is included in the conference agreement as section 4 of the bill, but with a provision that the amendment applies only to contracts with the departments made after December 31, 1954.

Section 4 contained in the Senate amendment related to the definition of durable productive equipment contained in section 106 (c) (2) of the Renegotiation Act of 1951. This amendment was adopted as a clarifying amendment to cure an inconsistency created by a previous amendment which extended the partial mandatory exemption for new durable productive equipment to prime contracts. Under existing law a manufacturer who sells an item of new durable productive equipment directly to the Government is exempt, whereas he is not exempt if he sells

the same item to another manufacturer who incorporates it in equipment which is sold to the Government. Under the amendment the exemption applies in both cases. The amendment was made effective to coincide with the effective date of the amendment extending the new durable productive equipment provision to prime contracts, namely, to fiscal years ending on or after June 30, 1953. The conference agreement retains this provision as section 5 of the bill.

Section 5 contained in the Senate amendment authorizes and directs the Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, to make a complete study in order to determine (1) whether there is any necessity of extending the Renegotiation Act of 1951 beyond December 31, 1956, and (2) if any such further extension is found necessary, the extent to which renegotiation of Government contracts should apply after such date. The joint committee is required to make a report to the Senate and House of Representatives not later than May 31, 1956. The conference agreement retains this provision as section 6 of the bill.

Section 6 contained in the Senate amendment would have amended title II of the Renegotiation Act of 1951 by adding at the end thereof a new section authorizing the Renegotiation Board, notwithstanding any statute of limitations or any other provision of law, to review the renegotiation of contracts or subcontracts which were renegotiated under the Renegotiation Act, which applied during World War II, in cases specified in the amendment. The provision also would have authorized review of the Board's action in such cases by the Tax Court. Under the conference agreement this section is eliminated from the bill.

JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,

Managers on the Part of the House.

NORTH ATLANTIC TREATY ORGANIZATION

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 127.

The Clerk read the resolution as follows:

Whereas the United States, Belgium, Canada, Denmark, Federal Republic of Germany, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and United Kingdom are parties to the North Atlantic Treaty; and

Whereas the primary objective of the treaty is to contribute to the maintenance of peace by making clear the determination of the parties collectively to resist armed attack upon any of them; and

Whereas the parties have joined, pursuant to the treaty, the North Atlantic Treaty Organization, a collective-defense arrangement for the North Atlantic area established within the framework of the United Nations Charter and based upon the inherent right of individual or collective self-defense recognized by article 51 of the charter; and

Whereas the membership of Spain would strengthen the strategic position of the North Atlantic Treaty Organization and of the United States; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States that the Department of State should take all proper and necessary steps to bring about an invitation to Spain to become a party to the North Atlantic Treaty and a member of the North Atlantic Treaty Organization.