

with an increase in personnel and, of course, a tremendous increase in cost to the United States. By allowing our allies to operate these ships now, the ships would be readily available to us for any use we might have for them in any emergency.

Inasmuch as the details of the proposed loan program are classified, they are not transmitted to the Congress at this time, but will be made available to the Congress at the hearings on the proposed bill.

Section 7307 of title 10, United States Code, requires the authorization of Congress for the loan of destroyers and submarines that have not been stricken from the naval vessel register.

COST AND BUDGET DATA

It is estimated that the cost of activation, which includes rehabilitation, outfitting, and providing spare parts, ammunition, and logistic support, for each destroyer will be approximately \$2.5 million; for each destroyer escort, approximately \$1.7 million; and for each submarine, approximately \$1.9 million. The costs will be charged to funds programed for the recipient government under the Mutual Security Act of 1954, as amended, or to funds provided by the recipient government under the reimbursable provisions of that act, on a country by country basis, in accordance with their economic capability.

Should the United States request the return of a ship loaned prior to the expiration of the loan period specified by the agreement, the foreign government, if it has paid the above costs under the reimbursable provisions of the act, will be reimbursed by the United States on a pro rata basis.

Sincerely yours,

RICHARD JACKSON,
Assistant Secretary of the Navy
(Personnel and Reserve Forces).

AMENDMENT OF ANTITRUST LAWS, RELATING TO PREVENTION OF MONOPOLISTIC ACTS OR PRACTICES—AMENDMENT

Mr. YOUNG (for himself, Mr. O'MAHONEY, Mr. WATKINS, and Mr. CARROLL) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1356) to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts or practices and other unlawful restraints in commerce by certain persons engaged in commerce in meat and meat products, and for other purposes, which was ordered to lie on the table, and to be printed.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND AS- SISTANCE ACT OF 1954—AMEND- MENTS

Mr. MARTIN of Iowa submitted amendments, intended to be proposed by him, to the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, which were ordered to lie on the table, and to be printed.

EXPANSION OF PUBLIC FACILITY LOAN PROGRAM—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 17, 1958,

The names of Mr. MANSFIELD, Mr. FREAR, Mr. McNAMARA, and Mr. REVER-

COMB, were added as additional cosponsors of the bill (S. 3497) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes, introduced by Mr. FULBRIGHT (for himself and other Senators) on March 17, 1958.

USE OF SURPLUS FOODS TO ASSIST NEEDY FAMILIES IN COMMUNIT- TIES SUFFERING FROM SERIOUS UNEMPLOYMENT — ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 17, 1958,

The name of Mr. CLARK was added as a cosponsor of the bill (S. 3501) to authorize the Secretary of Agriculture to expend funds appropriated for the diversion of surplus farm commodities to provide balanced diets in schools and institutions and for needy families, introduced by Mr. PROXMIRE on March 17, 1958.

ADDRESSES, EDITORIALS, ARTI- CLES, ETC., PRINTED IN THE APPENDIX

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

By Mr. SPARKMAN:

Address delivered by Donald R. Moore, justice of district XII, Phi Alpha Delta Law Fraternity, in tribute to Senator HILL.

Article entitled "Flag of the United States," written by Hon. Walter B. Jones, circuit judge, Montgomery County, Ala., and published in the Montgomery (Ala.) Advertiser of March 3, 1958.

By Mr. TALMADGE:

Address entitled "Values in American Education," delivered by Hon. Marion B. Folsom, Secretary of Health, Education, and Welfare, before Rotary Club of Atlanta, Ga., on March 17, 1958.

Address delivered by Hon. J. L. Morgan, chairman of Georgia Agricultural Stabilization and Conservation Committee, before Land and Water Use Conference, held in conjunction with the national convention of the American Farm Bureau Federation in Chicago.

By Mr. McCLELLAN:

Address delivered by Hon. James A. Farley, and statement by himself which was read, at New York Chamber of Commerce dinner in honor of Hon. Herbert Hoover and his associates on the First and Second Hoover Commissions, at the Waldorf-Astoria, New York City, February 21, 1958.

By Mr. SALTONSTALL:

Lincoln Day address delivered by State representative Nathanfel Tilden, of Massachusetts.

Address delivered by Richard Glenn Gettell, president of Mount Holyoke College, before seven Associated Women's College Clubs of Boston, at Wellesley, Mass., on January 25, 1958, relative to training of future leaders in natural and social sciences.

Resolution adopted by the national executive committee of Centennial Legion of Historic Military Commands of the Thirteen Original States in opposition to any reduction in the strength of the Army National Guard.

By Mr. IVES:

Address delivered by Gen. Carlos P. Romulo, Philippine Ambassador to the United States, and reply by Adm. H. B. Miller, on the occasion of presentation of the annual

World Brotherhood Award to Pan American Airways and its president, Juan T. Trippe. Statement entitled "A Communication to the Alumni," by Paul Cruikshank, headmaster of the Taft School, of Watertown, Conn.

By Mr. YOUNG:

Sermon delivered by Rev. F. G. Sherrill, pastor, St. Johns Episcopal Church, Dickinson, N. Dak., on inauguration of North Dakota Theodore Roosevelt Centennial Observance.

By Mr. O'MAHONEY:

St. Patrick's Day oration delivered by Bishop Philip M. Hannan, of the diocese of Washington, at the meeting of the Ancient Order of Hibernians and its Ladies' Auxiliary in the Mayflower Hotel, on St. Patrick's Day, March 17, 1958.

By Mr. MANSFIELD:

Sermon by Francis B. Sayre, Jr., dean of Washington Cathedral, on Sunday, March 9, 1958, and article by Kenneth Dole, published in the Washington Post and Times Herald of March 10, 1958, commenting on the sermon.

By Mr. MARTIN of Iowa:

Editorial entitled "Buying Versus Selling," published in the March 15, 1958, issue of the magazine Editor and Publisher.

By Mr. DWORSHAK:

Article entitled "Representative HAMER BUDGE Represents Hardworking Economy Bloc in Congress," written by James P. Gossett, and published in the Gooding Leader.

By Mr. JAVITS:

Letter addressed to him by David M. Gerstein, dated January 14, 1958, and letter addressed to him from Department of State, dated February 26, 1958, concerning India.

Recommendations of Grand Jurors Association of Richmond County, N. Y., relative to correction of juvenile delinquency.

By Mr. NEUBERGER:

Report by Dr. G. Herbert Smith, president of Willamette University, to his board of trustees, February 24, 1958.

Article entitled "University of Oregon Hospitals and Clinics," published in Resident Physician of February 1958; and editorial entitled "Doctors and Population," published in the New York Times of March 8, 1958.

By Mr. PROXMIRE:

Resolutions adopted by Farmers Union Central Exchange Convention, March 12, 1958, indicating support in fight for farm parity.

Letter from Armenian Youth Federation regarding 25th anniversary of that organization.

Letter addressed to him by Morris H. Rubin, editor, of the Progressive magazine, of Madison, Wis., on the subject of Senator HUMPHREY's address on disarmament.

By Mr. YARBOROUGH:

Article entitled "They Have a Simple Dream, 400 English Words for Every Child," written by Marie Dauplaise, and published in the Houston Press for March 12, 1958.

By Mr. KNOWLAND:

Article entitled "Newspaperboy Appeals to His Elders To Drive Safely," published in the Alameda Times-Star of January 24, 1956.

BOMBING OF JEWISH COMMUNITY CENTERS IN NASHVILLE AND MIAMI

Mr. JAVITS. Mr. President, millions of Americans, both in and outside the South, must feel a sense of personal outrage at the bombing of Jewish community centers in Nashville and Miami and the threat to Federal Judge Miller of Nashville. Every citizen can understand that this kind of intimidation against the exercise of lawful constitutional rights is a fundamental threat to our

system of government and society. It cannot and should not be tolerated, and it is most gratifying to report the spontaneous and determined reaction by public and governmental authorities in both cities, as well as the prompt interposition of the FBI to the extent of its jurisdiction.

I have very often spoken with full understanding of the difficult nature of the issue of integration in the public school system of the Southern States pursuant to the Supreme Court mandate, and of the sincerity of many who feel deeply that it should not be done; but the great tradition of law in our country prevails over everything else, and Americans have learned that discipline is required of citizens to preserve free institutions. I am confident that it is only a tiny minority which would outrage and besmirch our Constitution and its safeguards by a violent effort to intimidate the Jewish communities in Nashville, Miami, and elsewhere in the South by acts of lawless violence. I do not believe that these efforts at intimidation will succeed either in the Jewish communities directly concerned, or with the Federal judges. Jews have never hesitated throughout history to shoulder the burdens of conscience and the responsibilities of the struggle for freedom, knowing full well that the fate of all minorities is the fate of every minority. It is because our Constitution protects minorities as of right which makes it the embodiment of the ethical teachings of 5,000 years of Judeo-Christian thought and learning.

The religious conscience of the Christian faiths, both Catholic and Protestant, has already been aroused to the implications, in terms of religious teachings and the Bible, of segregation and discrimination on grounds of race and color; these attacks in Miami and Nashville are just as much an assault upon such Christians in the South as upon the Jewish community. The intimidation of these bombings will fail, but the intimidators must, in the national interest, be found and brought to justice.

It is my understanding that the Department of Justice, through the FBI, is investigating the bombing and the threats, but the jurisdiction under which the Justice Department operates is unnecessarily narrow and calls for immediate amendment to the existing criminal law. Under present law, a conspiracy to intimidate a judge in the exercise of his duties is punishable as a crime, but intimidation and threats made by a single individual are not subject to Federal jurisdiction, nor to the investigation by the FBI unless by happenstance the threat is carried over interstate communication systems—a totally irrelevant factor in attempting to preserve Federal justice from intimidation. I therefore am introducing legislation which will in substance provide that whoever, alone or in conspiracy with others, by threats, force, or intimidation, prevents or attempts to prevent a Federal officer, including a judge, from carrying out his duties or threatens to injure him because he has already done so shall be punishable as a felon.

I have long espoused the principle of education, technical assistance, and conciliation to bring about compliance with the decision of the Supreme Court regarding desegregation in the schools in order to achieve for all our people their full civil rights as guaranteed by the Constitution. The leader in that movement for a much longer time than I have been in it has been my senior colleague from New York [Mr. Ives]. But, I believe, just as strongly, that, in order to make the processes of education, technical assistance, and conciliation work, they must be backed up by Federal law to insure protection against violence and civil disorder, particularly when directed against the judges who are primarily charged with the impartial discharge of justice or against citizens obeying the law.

We see the two sides of the medallion in this situation, on the one side lawlessness, and on the other side the inevitable attention of the great body of citizens and the governments, including governments of municipalities, to see that justice is done, and that the American sense of fair play is properly applied. I am confident it is this side, rather than the lawless element, which will triumph.

ALASKAN AND HAWAIIAN STATEHOOD

Mr. CHURCH. Mr. President, the Washington Evening Star last evening, March 17, editorially called upon the Rules Committee of the House to report the Alaskan statehood bill to the House. In the editorial the newspaper called attention to the fact that statehood has the support of both party platforms, and has been considered for more than 40 years.

Mr. President, the time is growing short. Soon it may be too late to accomplish action during this session. Justification for further delay is nonexistent.

I ask unanimous consent that this excellent editorial be printed in the RECORD at this point in my remarks.

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

LET THE HOUSE VOTE

The time has come for the House Rules Committee to do its part in redeeming a pledge made repeatedly by both major political parties. It is the matter of authorizing statehood for Alaska and Hawaii, a subject that has been brought to Congress intermittently since 1916 and that has received favorable support in Democratic and Republican platforms since 1948.

At this point, an Alaskan statehood bill—indorsed by the House Interior Committee—is before the powerful rules body, and Interior Committee Chairman ENGLE, California Democrat, has been promised that some time after March 15 consideration will be given to clearing the measure for action on the House floor. A similar bill already has been reported favorably in the Senate. Supporters of Alaskan statehood express confidence that they can win a favorable vote in both Chambers—if the congressional leadership will clear the way to call the bills up for the ultimate tests.

The arguments pro and con on statehood for either of the Territories have been made repeatedly and there is little new than can be

added. It has been established that a majority of the inhabitants of each Territory want statehood. From the standpoint of population and on the basis of political and economic development, both Territories have met the proper tests for eligibility. Partisan political considerations have contributed to past frustrations, particularly when the case for both Territories has been joined in a single piece of legislation. They are separated now and, with the backing already given to the Alaska measure, the Rules Committee should let the full House vote.

CONTROL OF SIGNBOARDS ON INTERSTATE HIGHWAYS

Mr. NEUBERGER. Mr. President, one major reason that the Senate Public Works Committee has recognized for the first time in history the responsibility of the Federal Government for protection of roadside scenery is the fact that the distinguished junior Senator from California [Mr. KUCHEL] has been so cooperative in working with me toward a bipartisan compromise on our two proposals in the field of signboard regulation.

An excellent—and anticipatory—editorial with respect to such a compromise appeared in the Portland Oregonian, which is published in my home city, on February 21, 1958. Because the Senate soon will discuss the splendid new highway bill, with its signboard-control provision, I ask unanimous consent that the editorial, entitled "Roadside Issue Up Again," be printed in the body of the RECORD.

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

ROADSIDE ISSUE UP AGAIN

There is good reason for hope that the campaign to keep the projected new interstate freeway system relatively free of billboard clutter will soon bear some fruit.

For one thing, the roadside beautification forces have won an influential recruit. President Eisenhower, in his budget message, recommended "prompt enactment of legislation to control advertising on the Interstate Highway System" and later wrote as follows to Gen. U. S. Grant III, president of the American Planning and Civic Association: "I am convinced that this activity must be controlled and regulated if the public is to have the safe driving conditions and surroundings contemplated by the high standards applicable to the Interstate System. * * * I believe that Federal legislation on the subject is necessary to assure effective State action."

Another convert is Senator KUCHEL, of California, who has introduced in the Senate a bill intended as a compromise substitute for the Neuberger bill and the Bush bill, two other regulatory measures reposing in the Senate Committee on Public Works. The Kuchel bill (S. 3218) would, however, confine regulation to "outside incorporated municipalities," which would be a severe restraint where political subdivisions are continuous. All three bills would provide for Federal incentive payments to encourage States to enter into agreements restricting roadside advertising. The restricted area proposed ranges upward from 600 feet on either side of the highway. Eight similar bills are lying in committee in the House of Representatives.

The importance of favorable congressional action on such legislation in this session cannot be overemphasized. As the President has said, such action "is necessary to assure

its second 5-year plan. At the end of this second period in 1961 it is hoped her annual per capita income will have risen to \$66. This seemingly small achievement means a great deal to many millions who have long lived in such poverty as we can hardly imagine. It means the more because India is attempting to achieve results by voluntary methods.

It will be a long haul. Involved in it will be not only men's bodies but their souls. To Senator COOPER it seems, and we agree, that if "we meet our present test with aid to India we will be in a better position to take on, the new Soviet economic and political challenge throughout the world."

RECESSION CURES FEARED AS WORSE THAN THE DISEASE

Mr. SMITH of New Jersey. Mr. President, all of us are vitally concerned with the current economic condition of the Nation, but it is essential that while we are promoting emergency measures for the relief of those who have been most hard hit, we also take into account the long-range aspects of the situation. Continuing careful appraisals can help to restrain us from adopting measures which contain within themselves the possibility of future fiscal crises in the form of heavily unbalanced budgets, and inflation.

Such a warning has been given by Mr. David Lawrence in his article entitled "Recession Cures Feared As Worse Than the Disease," which appeared in the March 14 issue of the Herald Tribune. I ask unanimous consent that this article be printed in the RECORD following my remarks.

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

RECESSION CURES FEARED AS WORSE THAN THE DISEASE

(By David Lawrence)

WASHINGTON, March 13.—There's an old saying that "the remedy could be worse than the disease," and that's what might happen if all or even some of the various antirecession measures being proposed in Congress were put into effect.

Senator HARRY BYRD, Democrat, of Virginia, chairman of the Senate Finance Committee, gives an inkling of what might occur when he says that if two pending bills, each providing \$5 million or more in tax reduction, are adopted, this might throw the Federal Treasury \$10 billion to \$15 billion into the red.

There are about 5,200,000 persons now out of work but, if America embarks on what could result in a runaway inflation, the eventual bust could bring about an unemployment many times that figure.

The Eisenhower administration is not allowing itself to be stampeded by pressure for tax reduction and, when it comes up with a plan, it will be one that takes into account the long-range as well as the short-range aspects.

The Government would surely face a serious situation from a fiscal point of view if, without waiting to get a clear picture of just what has been happening in the national economy, it interjected an unbalancing factor in the way of a sharp reduction in tax receipts.

The psychological effect, in other words, of a deficit of \$10 to \$15 billion might tend to bring such a pessimistic outlook for the long-range future as to discourage the very

sentiment needed now for business recovery. The stock market would be one of the first institutions to reflect the coming of an inflationary spiral. For, if the 50-cent dollar of today were to be headed down toward a 25-cent value in the next few years, obviously prices of stocks would tend to rise commensurately. This would be an artificial upsurge that could in the end bring on a smash.

TAX CUT NO JOBLESS AID

It is no surprise, therefore, that words of caution came from Secretary of the Treasury Anderson on Wednesday after his conference with President Eisenhower and his economic advisers. There is need, of course, for tax revision, but it should be undertaken on a gradually changing rate basis and not just as a means of distributing purchasing power to individuals. It should include a method of stimulating the heavy-goods industries so that manufacturing corporations can begin to plan for new equipment and plants.

If it were merely a case of giving cash to the public generally, it would cost far less to aid certain distressed areas on a local basis. For most of the tax proposals would give a tax reduction to those who already have jobs and savings enough to continue a high velocity of purchasing. The unemployed, on the other hand, would not benefit by a tax reduction to individuals. Business itself would have to be encouraged somehow by corporate-tax reductions to create more employment. This would have an impact on industrial conditions generally.

BUSINESS UPSET LAST YEAR

Last year, when this correspondent was almost alone in defending the \$71 billion budget of the President, there was a widespread pressure in Congress for reducing the spending. It resulted in an artificial restraint on the flow of defense expenditures. The sudden cuts and the modification of the system of Government financing of defense contracts by advance payments threw many a business into an embarrassing position. The manufacturers were forced to borrow at high rates to pay bills the Government customarily paid while the work was in process.

This weakness has now been remedied and the Government is readjusting its method of handling defense contracts. It is speeding up the allocation of orders, too. Defense spending is now estimated by Secretary McElroy at \$11,700,000,000 for the first 6 months of 1958, as compared with half that amount for the last 6 months of 1957. There are also to be noted some marked increases in spending not only by the Federal but by State and local governments for important projects previously put aside.

RETAIL SALES FAIRLY STEADY

There are signs, too, that retail sales have held fairly well throughout the country. The Federal Reserve Bank of Chicago in its latest report, says the decline in employment is basically due to inventory reductions and decreases in durable goods as well as defense hardware. These factors can be helped by the unspectacular steps already taken in the Defense Department and in purchases which were authorized for the Government to make but were delayed during the economy wave of last year.

The present recession wasn't planned, as some Democratic Senators are saying, but it is in part the direct result of the drive made early last year by some of the same Democrats to curtail defense appropriations. A change came when the first Soviet sputnik was launched late in 1957. The biggest economizers of last year in Congress are among those who would spend extravagantly this year and also would deprive the Treasury of billions of tax revenue. If politicians instead of economists are heeded, the remedy indeed may prove worse than the disease.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. McNAMARA obtained the floor. The PRESIDENT pro tempore. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Michigan may yield to me for the purpose of suggesting the absence of a quorum, without losing his right to the floor.

Mr. McNAMARA. I would be happy to yield.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? Without objection, it is so ordered.

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

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

The Chief Clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask that the order for the quorum call be rescinded.

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

WORK OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD—THE KOHLER STRIKE

Mr. McNAMARA. Mr. President, a few weeks ago the Senate agreed to continue the Select Committee on Improper Activities in the Labor or Management Field, with another \$500,000 to finance it.

As my colleagues know, I am a member of that committee, and I have been since it was organized in January 1957.

When the resolution to continue the life of the committee was considered by the Senate some weeks back I had some serious doubts about the wisdom of this move.

Frankly, I wondered what further good could be accomplished by the committee.

As I understand, its main purpose was to provide legislative recommendations to the appropriate standing committees of the Senate.

Actually the select committee had not made any recommendations at the time the resolution extending its life was voted on last January.

But it is interesting to note that about 15 pieces of proposed labor legislation, all growing out of the work of the select committee during the past year, already were in the Senate hopper.

It is significant to note that 11 of these 15 bills were introduced by members of the select committee. I believe

more have been introduced since, again by members of the committee.

Therefore, it occurred to me that there certainly were ample bills on hand to enable the appropriate standing committees to resume their normal and natural functions.

Confirmation of my reasoning came, I believe, when the chairman of the Subcommittee on Labor of the Labor and Public Welfare Committee announced the other day that hearings on the pending legislation would begin later this month.

Mr. President, the reason I raise this point today is simply to offer the observation that the select committee should have quit while it was ahead.

It had its record made. It had, I believe, the general confidence of the people of the country.

It had, I know, the cooperation of the AFL-CIO, which was just as anxious to eliminate any improper activities within the labor movement.

Yes, Mr. President, the select committee had its comfortable niche in history well secured.

Unfortunately, the good name of the select committee and the record it has achieved now are on the verge of complete destruction, if, indeed, the damage has not already been done.

The reason for this self-destruction is the farce now going on in the caucus room, which purports to be an investigation of the United Auto Workers strike against the Kohler Co.

This strike has been continuing for nearly 4 years. Certainly, it is a sad one. It is a bitter one. I would be the last to say that either side was completely blameless.

Yet, the record of this strike was well-developed long before the committee began its so-called hearing.

The National Labor Relations Board had gone into this case thoroughly, and the findings by a hearing examiner of unfair labor practices against the company are now before the full board.

To my knowledge, from the record of these hearings nothing new has been developed. I refer to the McClellan committee hearings—except possibly that the company was using labor spies.

What then was the reason for going into this strike?

There was but one real reason. That was to embarrass, or if possible, cripple, the UAW.

Anyone who has followed these hearings, either by attending them or by reading the transcript or the newspaper accounts, can readily attest to this.

Time after time the questioning of witnesses was not directed toward issues in the Kohler strike, but to the past history of the UAW or of its officers.

Not only that, but there were deliberate attempts to lay all the ills of labor-management relations, practically since the birth of Samuel Gompers, at the feet of the UAW and Walter Reuther.

An example of this came the other day, when it was implied that the CIO was responsible for 37 deaths in 13 strikes—a complete and deliberate distortion of facts.

No; there is no question of the objectives.

I do not say this in defense of the UAW. That organization certainly needs no defense from me or anyone else.

Yet, I would like to see the Kohler strike settled. I would like to see this bitterness erased and peace restored.

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

Mr. McNAMARA. I yield.

Mr. PROXMIRE. Mr. President, speaking as a Senator from the State of Wisconsin, I should like to say to the distinguished Senator from Michigan that the people of Wisconsin would certainly like to see the strike settled. However, I should like to say several things as quickly as I can. I believe that Sheboygan and the State of Wisconsin have been put in a most unfortunate and unfair position by a number of developments which have occurred during the strike.

First, I deeply regretted it when a top representative of the United Automobile Workers called in question the integrity of the clergy of Sheboygan. I believe that was most unfortunate and unfair, because I know personally many of the leading religious leaders in that community, and I know that they are men of absolute integrity and of deep conviction. Although they have taken some part in the strike occasionally, I am sure they have always been motivated by a deep desire to settle the strike as quickly as it could be settled. I say this, although I realize, of course, that Mr. Mazey, after he made the statement, withdrew it. I am glad he did retract it. However, as a Senator from Wisconsin, I cannot permit this opportunity to pass without asserting my pride in the character of the clergy of Sheboygan that has been impugned.

In the second place, there has been a great deal of talk about violence in the strike. There has been some violence. This is most deplorable. But this strike has been in existence for 4 years. There has been tremendous bitterness. As a matter of fact, it is surprising, as the New York Times points out, that the number of persons who have suffered bodily harm in 4 years has been only about a half dozen. Of course, I deeply regret there have been this many. Nevertheless, all things considered, the Sheboygan record has been good.

The restraint and good sense of the people of Sheboygan and the whole community is to their credit, in view of the duress and stress under which they have been living. Most regrettable is the one act of particular violence which has been described to me, and which was charged to a man who left the State of Wisconsin and went to Michigan. It is unfortunate that he has not been extradited; I feel very strongly that he should be extradited, because the failure to extradite him constitutes a lack of faith in Wisconsin justice.

In speaking to the point the Senator from Michigan has raised, I should like to say that I, too, think the strike should be settled, and in that connection I should like to emphasize the fact that

there have been a series of occasions when responsible people and responsible officials have tried to settle the strike.

While I believe that there has been some fault on the part of the union, as I have indicated in my remarks so far, I believe that in this case the failure to settle the strike is very largely the fault of the company. I point out that on May 7, 1954, only a few weeks after the strike had started, Federal Judge Robert Tehan offered a truce plan. The union accepted it, but the Kohler Co. rejected it.

On June 29, 1954, Mr. Lawrence E. Gooding, the chairman of the Wisconsin Employment Relations Board, acting as a personal representative of Governor Kohler, entered the negotiations. The Kohler Co. made no change in its position, and walked out of the negotiations.

On July 8, 1954, Governor Kohler offered his services. Governor Kohler is a man against whom I have run three times, I know him as a political opponent. I have the greatest respect for him. He is a man of absolute integrity and fairness. He has not been biased. Incidentally, he is a nephew of the president of the Kohler Co., Herbert Kohler. Governor Kohler asked both sides to submit the issue in dispute to arbitration. The union accepted, but the Kohler Co. angrily turned down the offer in a letter made public in which they criticized the Governor for interfering with the Kohler Co.'s private business.

On January 28, 1955, Mr. Clyde M. Mills, Acting Director of the Federal Conciliation and Mediation Service, called both parties to Washington. The union indicated a willingness to negotiate. The Kohler Co. spokesman said their offer was unchanged.

On June 3, 1955, the Senator from New York [Mr. Ives], the late Senator from West Virginia, Mr. Neely, and the Senator from Michigan [Mr. McNAMARA], at a meeting of the Committee on Labor and Public Welfare, urged both parties to negotiate in Washington. Again the union was willing. The Kohler Co. refused.

Mr. McNAMARA. I should like to indicate at that point that this was a subcommittee of the Committee on Labor and Public Welfare.

Mr. PROXMIRE. The Senator is correct.

On the same day, June 3, 1955, Secretary of Labor, James P. Mitchell, offered to act as arbitrator of the dispute. The union accepted, but again the company refused.

On July 5, 1955, the mayor of Sheboygan called both parties to meet in an effort to settle the strike. The Kohler Co. officials walked out of the meeting, calling it a publicity stunt. The union had agreed to meet.

There are many other instances which follow the same pattern, with the union willing to accept negotiation and the company turning down such offers.

I conclude by saying that I feel very strongly that the strike should be settled, and that nothing is being accomplished by continuing or dragging out the strike. The people of Wisconsin are very grateful to the Members of the Senate and

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CONGRESSIONAL RECORD — SENATE

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Mr. ANDERSON. Mr. President, the House has passed, with an amendment, S. 2120, to authorize construction and rehabilitation of the Mercedes division, lower Rio Grande project, Tex.

The sponsor of the bill, the distinguished majority leader [Mr. JOHNSON] and the Committee on Interior and Insular Affairs, are agreeable to the amendment, which provides:

First. That the construction costs shall be repaid in accordance with ability to repay, which has been indicated to be less than 40 years.

Second. That interest shall be paid on costs attributable to excess lands.

Third. That the authorized cost be increased from \$9,300,000 to \$10 million.

I move that the Senate concur in the House amendment, with amendments to correct a printing error, as follows:

On page 2, line 14, change the period at the end of line 14 to a comma and insert thereafter the present text of section 2, beginning with the words "and shall" in line 21, page 2; and to change the comma preceding the aforesaid words "and shall" to a period and delete the remainder of section 2.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from New Mexico to the House amendment.

The amendments to the House amendment were agreed to.

The question recurs on concurring in the House amendment, as amended.

The House amendment, as amended, was concurred in.

Mr. ANDERSON. Mr. President, I ask unanimous consent that a statement with reference to the amendments be printed in the RECORD at this point.

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

STATEMENT ON AMENDMENT 1

In order to clarify the situation as to a proposed repayment period in connection with the first amendment, we feel the following statement is necessary:

In connection with the first amendment relating to the repayment ability of the Mercedes division, it is our view that a precedent for a repayment period for the construction costs of approximately 35 years has been established. This precedent came about in connection with a proposed repayment contract under the Small Projects Act in connection with an application for a loan to Cameron County Water Control and Improvement District No. 1 for the rehabilitation of the Harlingen division, Lower Rio Grande project, where a 35-year repayment period has been agreed on between the Bureau of Reclamation and the Cameron County district concerned.

This 35-year term was agreed upon largely as a result of a hearing before the Subcommittee on Irrigation and Reclamation at which it appeared that the loan could be repaid in that period. The repayment capacity of the lands in the Mercedes division is, we understand, similar to that of the Harlingen area. In addition the Mercedes area has an outstanding bond issue which should be taken into account in fixing a period of repayment under the authorization in S. 2120.

The second amendment is in accordance with precedents in requiring repayment of interest on the construction charges attributable to lands held in excess of 160 acres in ownership.

The third amendment reflects the estimated increased cost of the rehabilitation work on the Mercedes division due to rising prices.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. ELLENDER. Mr. President, the Senate has before it for consideration Senate bill 3420, which extends Public Law 480, the Agricultural Trade Development and Assistance Act of 1954.

Before proceeding to a discussion of the bill now before the Senate, I should like to state that, on February 26, the Committee on Agriculture and Forestry reported to the Senate, Senate bill 3039, which also is a bill extending and amending Public Law 480. It was introduced by the distinguished Senator from Kansas [Mr. SCHOEPFEL] and other Senators. The bill as originally introduced provided for a 1-year extension of Public Law 480, and an authorization increase in the amount of \$1.5 billion.

The Department of Agriculture favored the enactment of that bill, provided that the bill be considered in connection with the Farm Food and Fiber Act, S. 3049; a bill which was introduced by the distinguished Senator from Iowa, for the administration. The bill S. 3049, it will be recalled, provided, among other things, for a further lowering of the support prices on various commodities, particularly the so-called basic commodities and dairy products.

Mr. President, when S. 3039 came before the committee, it was amended to increase the authorization from \$1½ billion to \$2 billion with not more than \$500 million of the increase to be used during the remainder of this fiscal year. The bill was reported, as I stated, under date of February 26. The committee, at the suggestion of the distinguished Senator from Minnesota [Mr. HUMPHREY] agreed not to call the bill up until the committee studied certain amendments which were proposed by the Senator from Minnesota [Mr. HUMPHREY]. These amendments were submitted by the distinguished Senator from Minnesota at a succeeding meeting of our committee. The committee agreed, not unanimously but almost so, to most of the amendments submitted by the Senator from Minnesota [Mr. HUMPHREY]. Mr. President, that is the bill we now have before us.

Before proceeding with the discussion of the bill, I should like to point out that the Department of Agriculture is not entirely in accord with the measure we are now considering. As a matter of fact, in its reports to the Committee on Agriculture and Forestry, the Department of Agriculture, I believe, expressed a preference for the original bill which extended Public Law 480 for 1 year only, instead of 2 years, and the Department recommended that the authorization be increased by not more than \$1½ billion.

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

point the letter from the Department of Agriculture dated February 17, 1958, commenting on S. 3039 as referred to our committee.

The letter indicates the views of the Department of Agriculture as to the extension of Public Law 480.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, February 17, 1958.
HON. ALLEN J. ELLENDER,
Chairman, Committee on
Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in response to your request of January 17, 1958, for a report on S. 3039 which proposed to amend the Agricultural Trade Development and Assistance Act of 1954, as amended.

This bill would increase the maximum amount to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred under title I of the act, from \$4 billion to \$5.5 billion. The bill would also extend the terminal date, through which title I and title II transactions can be undertaken, from June 30, 1958, to June 30, 1959.

We favor the extension of this act as part of the Farm Food and Fiber Act (S. 3049). This temporary disposal program needs to be part of a farm program that will effectively bring the supply of farm products into better balance with market demand.

However, this program must not be allowed to become a device to postpone needed price support and production adjustments. In some instances the movement of basic commodities under Public Law 480 results, under the current escalator provisions of legislation, in higher price supports than would otherwise prevail. For example, on February 7 we announced the price support for cotton at 81 percent of parity. There is no question that this price support is substantially higher than it would have been in the absence of the exports under Public Law 480. This comes at a time when the cotton industry is having difficulties competitively with synthetics and foreign mills. Thus the effect of moving surpluses under Public Law 480 is resulting in incentives to build another surplus. It is not desirable to keep farmers continually under the shadow of price-depressing surpluses.

This program is desirable within our overall policy framework of expanding markets. However, maintaining a range of support prices which is too narrow to permit the commercial growth of markets needed to absorb our production prevents the needed expansion. Therefore, we favor the extension of the Agricultural Trade Development and Assistance Act with the additional \$1.5 billion authorization as part of S. 3049.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed, in the RECORD at this point, a letter from the Department of Agriculture dated March 3, 1958, commenting on S. 3223, the original Humphrey bill, later considered by the committee and which, in an amended form, is the bill now before the Senate.

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

DEPARTMENT OF AGRICULTURE,
Washington, D. C. March 3, 1958.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your letter of February 5, 1958, requesting a report on S. 3223, a proposed bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended.

We favor the extension of Public Law 480 as part of the Farm Food and Fiber Act, S. 3049. It is important that changes in the farm legislation provide for moving toward a better balance between production of farm products and market demand. The administration will also propose certain additional amendments of Public Law 480 in the near future, some of which are mentioned below.

TITLE I—SALES FOR FOREIGN CURRENCY

Extension of programing: The proposed bill would increase the title I authority from \$4 billion to \$4.5 billion at cost to the Commodity Credit Corporation to finance foreign currency sales concluded through June 30, 1958, and would provide a new authorization of \$3 billion at market value for programing between July 1, 1958, and June 30, 1960. The proposal would also delete the clause which describes the title I authority as an objective to be reached as rapidly as possible within the safeguards of the act.

We oppose these amendments.

The administration has proposed that the title I authority be increased from \$4 billion to \$5.5 billion at CCC cost and that the terminal date of the program be extended for 1 year to June 30, 1959. This additional authority would permit orderly programing and maintenance of title exports through fiscal year 1959 at about the level attained in fiscal year 1957. The administration construes title I, Public Law 480, as a temporary means of moving accumulated agricultural surpluses abroad in a constructive manner. Therefore, the extension of the act should be limited to 1 year to afford annual congressional review of the program.

If monetary limitations are to be made applicable to particular periods, such limitations should not apply to transactions carried out but should apply to agreements entered into by the President under title I.

We would have no objection to deletion of the clause describing the title I authorization as an objective to be reached as rapidly as possible.

Section 104 (h): The proposed bill would amend section 104 (h) to authorize use of currencies generated by title I sales on a grant basis for financing Smith-Mundt exchange programs in addition to the Fulbright educational exchange programs now authorized.

We favor the proposed amendment.

The use of currencies under section 104 (h) now is limited to academic exchanges such as students and professors. The amendment would permit such exchanges as agricultural leaders, labor leaders, journalists, and civic leaders.

In addition, we expect to submit shortly a proposal to amend this section to permit use of these funds to finance travel costs of dependents accompanying participants in the program.

Section 104 (j): The proposed amendment would delete the clause which states "but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor."

We favor the proposed amendment.

The clause which would be deleted makes it necessary to set out separately in each title I agreement the amount to be used for American-sponsored schools, libraries, and

community centers so that such use will not be subject to the appropriation process. The necessity of doing this eliminates the flexibility which is achieved by lumping in the agreements the amount of currency, intended for several United States uses so that the amount for each specific use may be determined by the United States later.

Section 104 (k): New section 104 (k) would expand assistance to American-sponsored schools presently authorized in section 104 (j) and would permit grants for the establishment of new schools. We would favor a modified form of this amendment and such a proposal we expect to submit shortly.

Section 104 (l): New section 104 (l) would permit assistance to either public or private educational or vocational institutions whether foreign or American sponsored. We oppose this amendment since such assistance may be furnished under either section 104 (e) or 104 (g) to the extent that such expenditures will contribute to economic development.

Section 104 (a): New section 104 (m) would provide assistance to reconstruction, rehabilitation, health, self-help, and other technical assistance-type projects of American voluntary agencies.

We oppose new section 104 (m).

We believe that one of the most valuable features of the American voluntary agencies' program is that help is furnished on a people-to-people basis. This concept would be breached by the use of funds arising from an agreement between the United States and a foreign government to finance technical assistance-type programs undertaken by the voluntary agencies. In addition, turning over public funds for use by voluntary agencies, most of which are sectarian, would raise difficult administrative problems.

Section 104 (n): New section 104 (n) would provide for the financing of research projects in foreign countries to find new uses for United States agricultural commodities.

This new section is unnecessary since this activity is already authorized and is being undertaken under section 104 (a).

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

Extension of programing: The amendment proposes that the present title II authority of \$800 million at CCC cost would expire on June 30, 1958, and would provide a new authority of \$500 million for programing between July 1, 1958, and June 30, 1960.

We oppose this amendment.

The administration has recommended that the current \$800 million authorization is sufficient for a 1-year extension of the program to June 30, 1959. Moreover, the provision for expiration of existing authority on a fiscal year basis would unduly complicate administration of this type of program.

Sections 201 and 202: The amendment would authorize the use of CCC funds for the purchase of non-price-support commodities to be donated abroad under title II.

We oppose this amendment since the basis for the title II legislation is to utilize commodities already in CCC inventory in providing assistance to friendly peoples.

TITLE III—GENERAL PROVISIONS

Sections 302 and 416: The amendment provides that nonfood commodities may be donated under programs authorized by section 416 of the Agricultural Act of 1949. This amendment would permit donations in the United States and abroad of commodities such as cotton.

We oppose this amendment.

The donation of nonfood commodities would involve expensive processing costs and would result in greatly increased costs in relation to the quantity of commodities which would be moved. In the case of cotton, for instance, at current mill margins, processing and finishing costs for sheeting,

which is one of the lowest cost fabrics, would be in excess of \$100 a bale. In addition, administrative costs to supervise the program would be relatively high. We do not believe that such a program could be operated without serious impact upon regular commercial markets for these products, particularly in the United States.

Section 303: The proposed amendment would establish a \$500 million yearly ceiling on barter transactions unless a higher level is approved by Congress. It directs the Secretary of Agriculture to protect the funds and assets of CCC by barter for nonstrategic materials as well as strategic materials.

We oppose this amendment.

The Secretary of Agriculture is authorized by section 303, Public Law 480, to determine whether or not a barter transaction will protect the funds and assets of CCC. The exercise of administrative judgment is necessary to successful barter and to selection of transactions which will not be mere substitutes for United States dollar sales which would have been made in any case. The effect of the proposed change in section 303 is not clear. If it is to be interpreted so as not to preclude the continued exercise of judgment as to whether a transaction will in fact protect the funds and assets of CCC, then the change is unnecessary. If on the other hand, the proper interpretation of the proposed language is that the Secretary shall barter on the same basis as before changes in the program were announced on May 28, 1957, then we oppose it as not being helpful to farmers and as contrary to the best interests of the Government.

Expansion of the barter program at the expense of dollar sales would not result in savings in storage charges or increased agricultural exports but merely in substitution of imported materials for the dollars which would otherwise be obtained.

The application of an annual dollar limitation upon the total volume of transactions directed by this section is ambiguous. There are a series of transactions which take place over a period of time under a single barter contract. Would the limitation apply to the total exchange value of agricultural commodities moved during a year, or to the total exchange value of agricultural commodities covered by barter contracts entered into during the year? Does "annually" refer to fiscal year or calendar year?

The Bureau of the Budget advises that there is no objection to submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. ELLENDER. Mr. President, I also wish to read into the RECORD a few statements made by Dr. Paarlberg, Assistant Secretary of Agriculture, which seem to me to be at variance with the views expressed by the Department of Agriculture in the two letters I have submitted for the RECORD. My reason for doing this, Mr. President, is to place the entire matter before the Senate so that Senators may be guided by all of the facts.

I read now from the testimony of Dr. Paarlberg, which appears on pages 2 and 3 of the committee report:

The request for a larger authorization this year is caused by changing world conditions. The dollar position of several countries has worsened and greater demand has resulted from poor harvests overseas. Shipments under past programs, particularly wheat for India, have been accelerated. In addition, we would expect to program part of the new authorization before June 30 if the extension is granted soon enough.

At the same time the Assistant Secretary testified as to the importance of providing adequate authorization, and stated as follows:

In the title I program, orderly programing and shipping is extremely important. These are dependent on continuous programing without time out between utilization of separate authorizations. We have run into periods when title I programing has come to a standstill; for example, the development of new agreements virtually ceased in January 1957 when our authorization was almost exhausted. The availability of funds during the following months would have avoided a backlog of program requests from interested countries. This backlog resulted in the necessity to scale down, delay, or exclude country programs, and in erratic shipment performance. Shipments were running about 800,000 tons a month last spring; these dropped off to less than 400,000 tons and are now just starting to increase again. It is possible that this same condition will exist again unless an extension is granted early in this session of Congress.

Mr. President, I wish to point out that, as I recall, nowhere in its testimony did the Department of Agriculture object to a 2-year extension. Its only objection to a 2-year extension is found in the letters that I have made a part of the RECORD; and while Dr. Paarlberg did not recommend a 2-year extension, his arguments for preventing any lapse of authority such as might occur with a 1-year extension are very persuasive.

Mr. President, I also ask unanimous consent to have printed in the RECORD in connection with my remarks a letter from the American Farm Bureau Federation, dated March 14, 1958, in which the Federation comments on the pending measure. There is no objection stated to the 2-year extension, but it is suggested that the amounts we have provided are entirely too high. It is suggested that the \$1½ billion for the next fiscal year should be made \$1¼ billion, and that for fiscal year 1960, the second year, the amount should be made \$750 million. In other words, the proposal of the American Farm Bureau Federation would reduce the authorization which is provided in the bill by at least a billion dollars.

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

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 14, 1958.
HON. ALLEN J. ELLENDER,
United States Senate,
Washington, D. C.

DEAR SENATOR ELLENDER: As you know the American Farm Bureau Federation took initiative in developing Public Law 480, the Agricultural Trade Development Act. We have always considered this act as a temporary measure designed to increase marketings of agricultural commodities abroad, to assist in reducing the surpluses in the hands of Commodity Credit Corporation and in facilitating foreign market development.

Farm Bureau is opposed to the provisions contained in S. 3420. While we support a 2-year extension of Public Law 480, we feel that it is imperative that we emphasize the fact that this is supposed to be a temporary measure. In order to do this, we must show

our intent of a gradual tapering off of the money authorized for this program. We, therefore, support a 2-year extension of this act with authorization as follows—for fiscal 1959, \$1,250,000,000; for fiscal 1960, \$750 million.

We submit that by increasing the authorization for title I foreign currency sales up to over \$3,500,000,000 in the next 2½ years, plus the proposed mandatory barter provisions of \$500 million is a step not in the best interest of the United States. It will have the effect of making Public Law 480 a permanent part of our agricultural-export program and will have the effect of replacing dollar sales with sales for soft currencies. It is important that the Congress demonstrate its firm intent of tapering off sales for foreign currencies and thereby emphasize the temporary nature of this program.

We should not continue to use Public Law 480 to dump surplus agricultural commodities accumulated because of the continuation of unsound domestic price support and adjustment programs. The freezing of the present programs will insure a continued accumulation of commodities in the hands of Commodity Credit Corporation.

A program of sales for foreign currency can benefit American agriculture only a limited length of time before markets begin to be oriented to this way of doing business. Customer nations start to consider foreign currency sales as a normal part of commercial trade. We view with serious concern evidence that some countries are adjusting their dollar exchange so that very little of it is used for the purchase of American-farm products. Competitor nations will not accept a permanent Public Law 480 without taking serious trade retaliatory action against United States agricultural exports.

Farm Bureau also supports a program of bartering our agricultural surpluses for essential materials. However, we feel that barter transactions must be in addition to normal-dollar sales. Under the provisions of S. 3420 barter transactions would displace dollar sales to a substantial degree. The barter program should be a supplement to normal exports; it should not displace dollar purchases. A barter program as visualized in S. 3420 would cause irreparable harm to United States foreign relations and United States foreign trade. The provision in its present form will tend to nullify some of the good in title I of Public Law 480.

We know of your interest in this program and hope that you will assist us in keeping Public Law 480 on a sound basis. We urge your support in amending S. 3420 so as to reflect the above principles.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

Mr. ELLENDER. Mr. President, the bill which is now before the Senate does six things.

First, it extends titles I and II of Public Law 480 for 2 years.

Second, it provides \$1.5 billion a year for title I.

Third, it permits foreign currencies acquired under title I to be used for broader educational exchange of persons, assistance to schools and workshops, and chairs in American studies.

Fourth, it provides for expanded barter.

Fifth, it extends the duty-free entry privilege to nonstrategic materials acquired by barter.

Sixth, it prohibits discrimination against extra long-staple cotton under the act.

I wish to add that this bill, S. 3420, provides, as does S. 3039 to which I referred a moment ago, for an additional authorization of up to \$500 million for use during the current fiscal year, with any remainder being authorized for use in the next fiscal year.

The purpose of Public Law 480 is to use agricultural commodities instead of dollars to expand international trade, encourage economic development, purchase strategic materials, pay United States obligations abroad, promote collective strength, foster foreign policy, and relieve famine and needs at home and abroad.

Title I provides for the sale of surplus agricultural commodities for foreign currencies pursuant to agreements with friendly nations, and the use of those currencies for many purposes of the United States. While the cost of the program has often been charged to agriculture, the foreign currencies are actually used principally by other agencies for other purposes.

The agencies which use these currencies and the purposes to which they are put are shown in a table which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks. The table shows in detail the various agencies and the amounts which have been programmed for use by them through February 5, 1958.

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

[In millions of dollars]

Authority	Currency use	Responsible agency	Amount programmed through Feb. 5, 1958
Sec. 104:			
(a).....	Agricultural market development.....	Department of Agriculture.....	43.2
(b).....	Supplemental stockpile.....	Office of Defense Mobilization.....	2.0
(c).....	Common defense.....	International Cooperation Administration and Defense Department.....	290.5
(d).....	Purchase of goods for other countries.....	ICA.....	42.9
(e).....	Grants for economic development.....	ICA.....	61.5
(f).....	Loans to private enterprise.....	Export-Import Bank of Washington.....	44.7
(g).....	Payment of United States obligations.....	Any agency.....	656.5
(h).....	Loans to foreign governments.....	ICA.....	1,349.0
(i).....	International educational exchange.....	Department of State.....	23.2
(j).....	Translation of books and periodicals.....	U. S. Information Agency.....	3.3
(k).....	American-sponsored schools and centers.....	State and USIA.....	14.5
Total.....			2,531.3

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

Mr. ELLENDER. I yield.

Mr. REVERCOMB. Before putting the question, I have in mind the situation under Public Law 480, dealing particularly with the section to which the able Senator is referring at this time, section 101.

Mr. ELLENDER. Of title I?

Mr. REVERCOMB. Yes. As the Senator has stated, it deals with the subject of foreign currencies, and taking foreign currencies in the sale of commodities abroad.

Is there anything in the act which would permit the President to keep such commodities at home and not sell them to foreign countries? I have in mind the situation which exists today in certain localities throughout the country, where there is need for surplus food. I am advised that the view is taken in the Department of Agriculture that the sale for foreign currencies under title I of Public Law 480 takes precedence over free distribution. Does the Senator feel that that is the expression and intent of section 101, or any other section of the law? Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

Mr. ELLENDER. I may say to my good friend from West Virginia that I do not believe there is anything in the act which gives precedence to our own uses with respect to surplus commodities until title I.

As the Senator knows, there are two other titles in the act which deal specifically with gifts to be made abroad, as well as gifts and donations to be made at home. I am certain that the administration of the act should certainly provide for home folks first.

To begin with, the surpluses must be available for contracting, and there must be an abundance, as I interpret the law. I do not know of anything in the act or in the administration of it which would warrant such a conclusion as that indicated by my distinguished friend from West Virginia.

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

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I bring this subject to the attention of the Senate because, upon inquiry made by me of the Department of Agriculture, I was informed that sales under this law to other countries take precedence over free distribution, and that for that reason certain surplus foodstuffs now in the hands of the Government will be made the subject of sale instead of free distribution where they may be needed by our own people.

I make this statement so that the able Senator may advise the Senate upon that subject.

Furthermore, if such a provision is not clearly in the law, I advocate at this time that it be made clear that in any instance in which foodstuffs of any kind are needed for free distribution to our own people, such free distribution

shall have precedence over sales abroad. I hope the Senator will agree with me.

Mr. ELLENDER. Am I to understand my distinguished friend from West Virginia to say that if the Department of Agriculture can make bona fide sales of such products—as I hope it has been doing in the past—a reservation must be made out of surpluses to take care of needs which may occur in the future?

Mr. REVERCOMB. No; I did not say that. I refer to the present needs. Once a sale to a foreign country is made, it must be carried out. What I am trying to say to the Senator is that no such sale should be contracted for so long as there is any need in this country for the particular foodstuffs at the time the sale is contemplated.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. Does not the Senator from Louisiana recall that section 416 of the Agricultural Act of 1949 gives the people of this country preference in the distribution of surpluses? That section is contained in the Agricultural Act of 1949.

Mr. ELLENDER. That was with respect to goods which might otherwise be wasted.

Mr. AIKEN. That section sets forth the order in which Commodity Credit Corporation commodities shall be made available.

Mr. ELLENDER. But I do not know of anything in the law, as I have just stated to my good friend—

Mr. REVERCOMB. I cannot find any provision in the law, either one way or the other. The point I am suggesting to the able Senator is that it should be made quite clear that when there are foodstuffs available, when there is a surplus owned by the Government, and there is need—as we know there is today in certain areas—no sale to a foreign country should then be contracted.

Mr. ELLENDER. I am quite sure that the Administrator would certainly have the good sense to keep the food for home use if we had need for it, rather than sending it abroad. I do not see the necessity of putting such a provision in the law.

Mr. REVERCOMB. I can only refer to the philosophy of the great Thomas Jefferson on that subject, when he said, "Let us not rely on the good sense or feelings of people. Let us tie them down with laws."

I suggest to the able Senator, who is chairman of the Committee on Agriculture and Forestry, and who is in charge of the pending bill, that that point be made crystal clear in the act itself, so that there can be no question of interpretation. The law itself should point out what shall be done. If there is any need for foodstuffs here, our people should have them before any sales of such foodstuffs are made elsewhere.

Mr. ELLENDER. Our counsel has pointed out a portion of the act which may to some extent cover the situation to which the Senator from West Virginia is referring. Under title I the President is authorized to enter into

certain agreements with foreign countries for the sale of any of our surplus commodities, whereas, under the amendment made by section 301 to section 407 of the Agricultural Act of 1949 Congress states that the Secretary shall make available any form commodity or product thereof owned or controlled by it for use in relieving domestic distress.

Mr. REVERCOMB. For relieving distress?

Mr. ELLENDER. That is correct. That is as near as I can come to it, to indicate that with respect to the products we have on hand, certainly preference is to be given to the use of those products at home. Under title I it is permissive on the part of the Secretary of Agriculture to dispose of the surpluses for foreign currencies, whereas it is mandatory that he use them to relieve distress at home. The fact is that the Secretary should, without any doubt, in my judgment, use commodities in surplus on hand for home consumption, if there is need for it, rather than contract for their sale abroad.

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

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I hope the Senator from Louisiana is correct. Certainly his view is a sound and fair one. I raised the question because an inquiry had been made. It was not a firsthand inquiry on my part. It was an inquiry made about the distribution of certain foodstuffs in America, and I was advised by note that this could not be done; that legal distribution could not be made because under present law, title I of Public Law 480, the Agricultural Trade Extension Act, sales for foreign currencies take precedence over free distribution. I do not believe the law means that.

Mr. ELLENDER. No.

Mr. REVERCOMB. But when that interpretation is placed upon the act, I believe a clarification should be written into the law, even into title I, to the effect that sales for foreign currencies should be secondary and subservient to distribution locally when food is needed in this country.

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

Mr. ELLENDER. I yield.

Mr. WATKINS. Does the distinguished Senator from Louisiana know of any case of commodities such as those referred to having been sold when there was need for them in this country?

Mr. ELLENDER. I do not know of any such case at this time.

Mr. REVERCOMB. Will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. With respect to a recent inquiry with respect to stored butter, the question was addressed to the Commodity Distribution Administration, and it was also addressed to the Secretary of Agriculture. I received a reply, indirectly through the one who had made the inquiry, that the distribution could not be made because sale for foreign currency has precedence over free distribution under title I of Public Law 480. If

there is any question about it, whether a case has occurred or not, if anyone handling the subject has any question in his mind, I suggest to the able chairman of the Committee on Agriculture that it ought to be made quite clear, so that that situation cannot arise in the future.

Mr. ELLENDER. I ask unanimous consent to have incorporated in the RECORD, all of section 416 of the act, which was referred to by the Senator.

There being no objection, section 416 was ordered to be printed in the RECORD, as follows:

Sec. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.

Mr. ELLENDER. Mr. President, in this section it will be noted that in dona-

tions preference is given, of course, to United States citizens, and it is fixed by categories. Domestic relief is provided for in category 3 and foreign relief is provided for in category 4; but category 4 provides only for donation of food commodities "in excess of anticipated disposition under" categories 1, 2, and 3.

Mr. REVERCOMB. Is that a matter of sales preference or distribution free?

Mr. ELLENDER. This is in the case of donations. The Senator is talking about gifts and donations.

Mr. REVERCOMB. I would say that there should be donations and gifts before there is a sale for foreign currency.

Mr. ELLENDER. I am sure the Secretary would so administer the act, and not the other way.

Mr. REVERCOMB. I should hope not.

Mr. ELLENDER. Of course not.

Mr. REVERCOMB. But the question has been raised. If there is any doubt about it we ought to make the language in the act so clear that there cannot be any question about it. That question has arisen in my mind, based upon an inquiry which was made of the Department of Agriculture.

Mr. ELLENDER. I do not believe the Senator from West Virginia need fear that the Secretary of Agriculture will dispose of commodities which can be used at home.

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

Mr. ELLENDER. I yield.

Mr. JAVITS. I note that the date, under section 3, has been extended from June 30, 1958, to June 30, 1960. It is my conviction and that of many other Senators that perhaps one of the most powerful weapons in the cold war is Public Law 480, because thereby—and this has been discussed many times—we are able to help a people, like the people of India, bring about industrialization without collectivization, as is the case in Communist China, by feeding themselves while engaging in some effort to industrialize in order to meet modern conditions.

Does the chairman of the Committee on Agriculture and Forestry feel that the time allowed is adequate for long-term agreements with the recipients of this kind of aid so they can fit them into their plans? India, for example, has a 5-year plan. We are helping India with money and also with some aid under Public Law 480. Has the committee give consideration to the question of sufficient time being allowed for long-term contracts so as really to make this kind of aid the decisive weapon in the cold war it is capable of being?

Mr. ELLENDER. As I understand, this does not limit the duration of any agreement that may be made. It is merely a limit on the time within which an agreement may be made.

Mr. JAVITS. In other words, delivery can be made even for more than 5 years, to the extent of the authorization, provided the arrangements be made before June 30, 1960.

Mr. ELLENDER. Yes. In other words, the 2-year provision simply limits

the time in which the agreements can be made.

Mr. JAVITS. I think that is very desirable flexibility. I compliment the chairman upon that feature of the bill.

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

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I was very much interested in the statement of the Senator from West Virginia. I observe he has left the floor. I think the language which has just been discussed must be clarified if there is any doubt about it at all. I have no doubt in my mind.

Mr. ELLENDER. I have no doubt, either.

Mr. HUMPHREY. It is rather shocking to me, I say most respectfully to the chairman, if anyone in the Department of Agriculture has indicated by insinuation, by direct statement, or by whatever other means the indication may have come, that the food is not available for domestic distribution.

There are the school lunch program and the surplus disposal program, the latter a major program for the needy. Title III of Public Law 480 is just as controlling as title I.

Section 407 of the act is just as controlling as section 410. If there is no doubt at all, and if there are any needy people in the United States, all the President has to do is to declare that there are some, and the language is so drawn that even Mortimer Snerd can understand it. It reads:

Notwithstanding the foregoing, the corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product either owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities.

Mr. ELLENDER. I pointed that out.

Mr. HUMPHREY. That is what the Senator said. Then there is section 416, to which the Senator has referred. I point out that if there is any danger of spoilage, then, indeed, there must be a use of the materials. More than that, there ought to be a warm heart, something which cannot be written into the law. There ought to be a little plain, good sense, which cannot be written into the law. If we add good sense and a warm heart to the specific details of the law, I am certain the Department of Agriculture will find no reason ever to tell any Senator that surplus foods are not available for the needy and distressed people of the United States. I am shocked to hear any Senator say he heard such a statement from the Department. I do not deny that it came from the Department; I am very certain that it came from the Department; but that is all the more shocking.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. I remember making an inquiry of the Department as to why some surplus foods were not made avail-

able for relief purposes and for use by the States to help needy people.

About a week ago I received a letter from the Secretary, in which he said that the supply of butter on hand at this time was not adequate to guarantee that the school-lunch program could be supplied through another year. He said he felt it would be unwise to offer it for relief purposes until it was certain that there would be enough to supply the school-lunch program and other programs which are virtually required by law.

However, I would expect the Government to become the owner of a considerable quantity of butter within the next 2 weeks, and I think we may expect in the immediate future that butter will be made available for relief purposes and for the use of the needy. I hope that will be done; I believe it will be done; it ought to be done.

Mr. ELLENDER. Mr. President, the table which I offered a while ago, before I was interrupted, shows that through February 5, 1958, the total amount of the foreign currencies program has been \$2,531 million. Of this amount, only \$43.2 million has been planned for use by the Department of Agriculture for market development. The remainder of the planned uses for the \$2,531,300,000,

and the agencies responsible for their expenditures, are shown in the table.

The approximate quantities of agricultural commodities covered by agreements signed through February 5, 1958, which have been or will be used in lieu of dollars for the various uses authorized by title I, are as follows:

COMMODITY AND QUANTITY

- Wheat and flour, 549,366,000 bushels.
- Feed grains, 132,963,000 bushels.
- Rice, 25,507,000 hundredweight.
- Cotton, 2,982,600 bales.
- Tobacco, 174,424,000 pounds.
- Dairy products, 162,210,000 pounds.
- Fats and oils, 2,246,072,000 pounds.
- Poultry, 3 million pounds.
- Dry edible beans, 44,000 hundredweight.
- Fruits and vegetables, 196,826,000 pounds.
- Meat, 150,962,000 pounds.
- Hay and pasture seeds, 9,000 hundredweight.

As I indicated a while ago, title II of the bill provides for famine or other urgent or extraordinary relief to friendly peoples. Authorizations under this title through December 31, 1957, are shown in a table which I ask unanimous consent to have printed in the RECORD at this point in my remarks.

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

Transfer authorizations issued under title II, Public Law 480, July 1, 1954, to Dec. 31, 1957

[In thousands of dollars]

Area and country	Total	Bread grains	Coarse grains	Fats and oils	Dry beans	Milk and milk products	Rice	Raw cotton
Europe (total)	141,855	61,777	22,750	14,825	1,597	33,666	811	6,429
Austria	14,278		14,278					
Czechoslovakia	1,995		1,995					
Germany, Federal Republic	3,000	236	686	911		367	171	629
Germany, Soviet occupied	758		380				61	
Hungary	18,713	4,408	1,920	2,095	442	4,293	495	
Italy	59,016	11,459	3,491	10,306	1,155	28,905		3,700
Spain	2,100							2,100
Yugoslavia	46,995	45,378		1,432				84
Africa (total)	23,840	22,636				1,204		
Libya	9,335	9,335						
Morocco	7,000	7,000						
Tunisia	7,505	6,301				1,204		
Near East and South Asia (total)	78,586	41,866	61	9,691		5,289	17,205	4,474
Afghanistan	11,153	11,153						
India	4,665	1,017				1,165	2,483	
Iran	2,748	2,748						
Nepal	210	145	61					
Pakistan	47,630	22,073		6,149		253	14,681	4,474
Turkey	12,180	4,730		3,542		3,807	41	
Far East and Pacific (total)	42,254	28,807				8,300	5,069	78
Cambodia	2,343						2,343	
Japan	36,381	28,081				8,300		
Korea	78						839	78
Laos	839						1,837	
Ryukyu Islands	1,887							
Vietnam	726	726						
Latin America (total)	40,836	15,690	13,688	1,491	1,393	1,281	4,765	2,528
Bolivia	17,182	10,102		1,137		391	3,024	2,528
British Honduras	273	22	25	106		44	30	
Costa Rica	212		37	68	46	51	56	
Guatemala	3,238		3,239					
Haiti	3,363	205	134	180	1,226	45	1,573	
Honduras	211		59		70		82	
Mexico	216		216					
Peru	16,141	5,361	9,979			801		
Christmas holidays	16,688	2,306		5,973	1,005	4,206	3,198	
Total commodity programs	344,059	173,082	36,499	31,980	3,995	63,946	31,048	13,509
Ocean freight: ¹								
Title I shipments	10,390							
Title III foreign donations	36,211							
Grand total	390,660							

OPERATIONS UNDER TITLE III

Mr. ELLENDER. I now come to title III. Title III provides, first, for donations for domestic use and for distribution abroad by nonprofit voluntary agencies and intergovernmental organizations, and, second, for Commodity Credit Corporation barter activities.

During the last 6 months of 1957 domestic donations under title III and section 32 of Public Law 320, 74th Congress, totaled approximately 321 million pounds, of which about 240 million pounds, valued at \$33 million, were distributed under title III. Recipients included more than 13.6 million school-children, 1.4 million persons in charitable institutions, and about 2.6 million needy persons in family units.

Commodities approved for foreign donation during the last 6 months of 1957 totaled 1,174.3 million pounds, valued at \$181.4 million, on the basis of Commodity Credit Corporation costs, which are shown in a table which I ask unanimous consent to have printed in the RECORD at this point.

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

[In millions]

Commodity	Pounds	Estimated CCC cost
Cheese	114.7	\$52.2
Cornmeal	187.7	13.9
Corn	35.9	1.5
Wheat flour	402.8	31.4
Milk, nonfat dry	341.4	70.0
Rice	68.2	11.2
Wheat	23.6	1.2
Total	1,174.3	181.4

Mr. ELLENDER. Mr. President, barter contracts entered into in the last 6 months of 1957 totaled \$3 million, as compared with \$870.1 million during the entire period covered by title III, and \$107.6 million for the period 1949-50 through 1953-54 under barter authority prior to the enactment of title III. I ask unanimous consent that the table containing these figures and other matters be printed in the RECORD at this point.

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

Summary of barter contracts entered into in specified periods ¹

[In millions of dollars]

Materials	1949-50 through 1953-54	1954-55 through 1956-57	July-December 1957
Strategic:			
Minimum stockpile	71.8	\$ 138.7	
Long-term stockpile		\$ 264.2	
Supplemental stockpile ²		\$ 368.8	3.0
Total strategic	71.8	771.7	3.0
Supply: ⁴			
ICA	28.4	31.0	
AEC		13.3	
Defense	7.4	54.1	
Total supply	35.8	98.4	
Grand total	107.6	870.1	3.0

¹ Years beginning July. December 1957 preliminary.
² Adjustments have been made to reflect total sales to minimum stockpile as follows: \$119.2 million long-term and \$8.9 million supplemental.

³ Materials transferred or to be transferred to supplemental stockpile with reimbursement as provided by sec. 206 of the Agricultural Act of 1956.

⁴ Materials, goods, and equipment for other Government agencies.

¹ Including transportation costs financed under Public Law 480 only. Ocean freight paid by the United States prior to fiscal year 1957 was financed under the Mutual Security Act.

Mr. ELLENDER. Public Law 480 was enacted in 1954. Contracts under title I were authorized at that time to be entered into up to June 30, 1957. Programs of assistance under title II were authorized to be undertaken up to the same date, June 30, 1957. Title III authority was permanent. On August 13, 1957, titles I and II were renewed and extended until June 30, 1958. The program has been a highly successful one and its extension is generally favored. Extensive hearings were conducted on operations under the law last June and July and many of the provisions in the bill grew out of those hearings. The committee conducted 2 days of hearings this year, and no witnesses appeared in opposition to its extension.

The hearings to which I referred as having been held last year were conducted under the direction of my able friend, the junior Senator from Minnesota [Mr. HUMPHREY], who filed an excellent report with the committee. He outlined how the program had worked. The report has been of great assistance to the committee in determining whether or not there should be added to the bill the amendments which the committee finally decided to add.

The action of the committee in reporting the bill was unanimous, except as to the amendments relating to barter and, as I recall, on the amount to be provided for each year. Some Senators reserved the right to vote for such amendments as might be offered which would eliminate or modify the barter provision, and also such amendments as might be offered in order to reduce the amounts finally agreed to by the committee as a whole.

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

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The amount included in the barter provision should be interpreted as the ceiling.

Mr. ELLENDER. Yes.

Mr. HUMPHREY. It is the maximum amount. There was no maximum provided in the previous authorization.

Mr. ELLENDER. When I referred to amounts, I did not have in mind the amounts in the barter provision. What I had in mind were the amounts fixed under title I for contracting purposes, for the 2 years of extension which have been provided.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. The Commodity Credit Corporation investment in agricultural commodities of \$6 billion at the time of enactment of Public Law 480 rose to \$8.2 billion on June 30, 1956, and is now \$6.8 billion. United States agricultural production is expected to continue at a high level and the dollar position of many countries has worsened. All of these factors require the extension of titles I and II for 2 years to June 30, 1960, as provided by the bill. In providing for a 2-year extension and adequate funds, the committee hopes to avoid a cessation of activities such as occurred last year.

The original authorization for title I was \$700 million. This was increased to \$1.5 billion on August 12, 1955, then

to \$3 billion on August 3, 1956, and finally to \$4 billion on August 13, 1957—which, by the way, is the amount under present law. The development of new agreements virtually ceased in January 1957, when the authorization was almost exhausted, and opportunities for new agreements were undoubtedly lost at that time. The present authorization is exhausted, or nearly so, only about \$340 million having been still available on February 5. The Department expects to program part of the new authorization before June 30, if funds are made available soon enough.

The bill would put the authorization on a fiscal year basis, providing authorization of \$1.5 billion for each fiscal year, any unused authorization to be carried forward to succeeding fiscal years. For the remainder of the fiscal year 1958 and for the fiscal years 1959 and 1960, this would mean a total of \$3.5 billion. This is based on Commodity Credit Corporation costs. On the basis of the export market value of the commodities and other costs, this would be equivalent to probably somewhat less than \$2.5 billion, since \$3.7 billion used as of February 5 represented about \$2.5 billion in market value.

This bill also provides two additional uses for foreign currencies under title I.

Section 104 (h), which now provides for educational exchanges under the Fulbright amendment to the Surplus Property Act, would be extended to provide for exchanges under title II of the Smith-Mundt Act. This would permit use of these funds for exchanges of persons not affiliated with educational institutions.

A new section 104 (k) provides for assistance to established American-sponsored educational institutions abroad, workshops in American subjects, and chairs in American studies.

These additional uses should do much to promote a better understanding and goodwill between our country and foreign lands.

Section 5 of the bill makes several changes in the barter authority provided by section 303 of Public Law 480. From the enactment of Public Law 480 until June 30, 1957, barter contracts totaling \$870.1 million were entered into, for an average during each 6 months of \$145 million. Barter contracts totaling \$125.1 million were entered into during the first 6 months of 1957. In May 1957, major program revisions were made for the asserted purpose of assuring that commodities exported under barter arrangements result in a net gain in the total volume of agricultural exports. As a result of these program changes, barter has practically been stopped as a means of disposing of commodities—dropping to \$3 million in the last 6 months of 1957.

Mr. President, a substantial decrease in barter occurred after the Department revised its program. In the 6 months before these provisions were put into effect, barter contracts totaled \$125.1 million. The drop to \$3 million, after the new regulations became effective is the principal reason why the committee considered the amendments which were submitted by the distinguished Senator from Minnesota [Mr. HUMPHREY].

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Louisiana yield to the Senator from North Dakota?

Mr. ELLENDER. I yield for a question.

Mr. YOUNG. Is it not true that only under the barter agreements has the Department of Agriculture made a profit? In other words, when we accept the currencies of other countries for our surplus food—particularly some of them—there is a great loss. But under the barter arrangements we have actually made a profit.

Mr. ELLENDER. Yes; the Senator from North Dakota is correct. In fact, the distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out in his report, I believe, as well as at the hearings, that the Government made quite a good deal of money on the various materials it has taken in exchange for our commodities. I do not know the exact amount. On that point, I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the latest figures—and I believe they are agreed to by the Department of Agriculture—show that even at the present depressed world prices for raw materials—and we know that at this time the prices are down—there is a net profit of \$55 million to the Government of the United States as a result of barter trades, plus the saving as a result of no longer having to store the goods which have been bartered. The goods bartered formerly cost the American taxpayers \$106 million a year in storage charges. Every year, that amount was required for storage charges, alone. On the other hand, the storage charges on the materials we have obtained through the barter agreements finally concluded amount to but \$3,300,000 a year.

So every year there has been a saving of \$102,700,000 in storage charges, plus a net profit of \$55 million on the goods acquired.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. YOUNG. Is it not also true that many foreign countries are so hard up that the only things they can usually use, in trading for our surplus foods, are the strategic materials of which we are in short supply?

Mr. ELLENDER. In some cases that may be true.

Mr. YOUNG. They cannot use their own currencies in payment for our surplus materials, because in many cases their own currencies have little value.

Mr. ELLENDER. But the Senator from North Dakota knows that under the agreements under title I, the Secretary is authorized to accept the currencies of the host countries.

Mr. YOUNG. Yes.

Mr. HUMPHREY. For sales.

Mr. ELLENDER. Yes. As was pointed out by the Senator from Minnesota [Mr. HUMPHREY]—and, in fact, the entire committee agreed—we should make every effort to obtain something of value

for these commodities, rather than continue to accept the currencies of the other countries, which may or may not be useful to us.

Mr. YOUNG. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. YOUNG. Would the Senator from Louisiana mind if I read into the RECORD a statement of the position of the American Farm Bureau Federation in regard to barter; or has it already been placed in the RECORD?

Mr. HUMPHREY. No.

Mr. ELLENDER. I yield for that purpose.

Mr. YOUNG. I read from page 42 of the hearings:

BARTER

The Farm Bureau also wishes to take this opportunity to renew its support for the principle of the barter program. Farm Bureau policies state:

"Our essential raw materials stockpiling program should be continued with proper safeguards. Surplus farm products should be traded under Public Law 480 and otherwise, for essential materials that may be stored indefinitely without deterioration. Security stockpiles should be isolated from normal domestic requirements and used only in case of national emergency."

We feel that it is possible to conduct an effective barter program without displacing dollar sales.

I thank the Senator from Louisiana.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield further at this point?

Mr. ELLENDER. Yes; I yield.

Mr. HUMPHREY. I know the barter section of the bill is going to be a subject of controversy. I have already been visited by representatives of the executive branch of the Government. I extended to them the hand of cooperation, asking if they could suggest any language which they thought would be less objectionable than that contained in the bill before the Senate. The answer was "None," indicating a total lack of any cooperation. I may as well serve warning I am prepared to do battle on this matter.

Furthermore, what the Department is unable to prove—the loss of cash sales in normal markets or displacing of other sales from friendly countries. The Department is unable to show that by bartering we have in any way upset American markets.

No doubt the Department of State will say, we are injuring somebody else somewhere down the line. I do not desire to do that. They have no evidence to indicate that would be the result, but they will make the assertion. Furthermore, barter does permit the accumulation of dollars by some countries, so that with the dollars they can purchase goods in the United States.

I wish to say to the Senator from North Dakota the one commodity the State Department and the Department of Agriculture are complaining about in connection with barter is wheat. The sales of all other commodities have been for soft currencies. Sometime ago, for example, the Department of State was complaining about the sale of rice. Rice was sold for soft currency. Then it was

complaining about the sale of cotton. Cotton was sold for soft currency. But there is one commodity to which the Department continually refers in its criticism, and that is wheat; but the Departments' argument in respect to wheat is just as fallacious as it was with respect to the other commodities.

Mr. YOUNG. There is probably a good reason for that. Two, and possibly three, international traders of wheat object to this means of doing business because they can make more money under other provisions of the bill. I think that is absolutely true. The Department went along with the barter program. The farm organizations were for it. It was a better deal for the United States and the countries involved. All of a sudden the Department dropped it because of the opposition of some international traders.

Mr. ELLENDER. Mr. President, as I pointed out, the record shows that the barter program was rather successful and that we were able to dispose of more than \$800 million of goods for strategic materials.

The amendments proposed by the Senator from Minnesota [Mr. HUMPHREY] have broadened the base on which we can barter. He has surrounded these programs with new objectives. For instance, section 303 of Public Law 480, as it would be amended, provides that "the Secretary is directed, to the maximum extent practicable within the limit permitted by this section, to barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges"—as was pointed out a while ago.

Subsection (b) of section 303 contains these words:

Materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs.

It strikes me if there is a will to administer the barter provision as intended by the law a way can be found to do it successfully.

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

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. NEUBERGER. On behalf of many of our wheatgrowers, as well as people who own fruit orchards, I want to thank the chairman of the committee for bringing before the Senate the proposed extension of Public Law 480. I know no Member of the Senate who is more qualified to sponsor a bill which will funnel our agricultural surpluses overseas, because he himself has had such intimate contact, in his wide travels, with countries in the rest of the world.

Mr. President, the people of Oregon have come to know about Public Law 480 favorably through the participation of the Oregon wheat growers in the programs authorized and implemented by what is known as the Agricultural Trade Development and Assistance Act, S. 3420. The bill to extend this act, is

also of interest to many Oregon growers of various orchard fruits.

I discussed the Public Law 480 program, at some length, on the floor of the Senate in August of 1957. I particularly emphasized the tremendous beneficial impact this program has had on good relations between the United States and the countries which have purchased these surplus foods with their own currencies.

Mr. President, Oregon has always depended greatly on export markets for the sale of a large share of its production of wheat and fruits. The Public Law 480 program has been helpful in keeping open many of these avenues of consumption and in developing some new ones. The peoples of Japan, South Korea, India, and Pakistan favor the soft wheats of the Northwest in their diet. The Oregon Wheat League, Mr. President, has spent many thousands of dollars of its own money exploring and developing the Asiatic markets.

When the ships move out of west coast ports, laden with wheat and fruits, and bound for countries participating in the Public Law 480 program, the benefits spread far beyond the producers of these commodities. Work is created for the men in the warehouses, mills, processing plants, and elevators. The transportation industry is greatly stimulated. Freight cars, trucks, and barges move wheat forward to ports where it is reloaded for its overseas destination. Crews are needed to man the ships, and the service industries who must do repair and maintenance duties share in the increased activity.

Thinking in these terms, it is natural that Oregon, now unhappily faced with the second highest unemployment rate in the Nation, should look with keen anticipation on the enactment of S. 3420 and extension of the Agriculture Trade Development and Assistance Act for another period of 2 years. In fact, some of our Oregon people have advocated the extension of the act for a 5-year period.

There is one question that we hope may be resolved in the near future that is tied inextricably to the operation of the Public Law 480 program. I have already mentioned the fact that people of the Orient, in about 90 percent of their purchases, prefer the soft white wheat which is the principal crop of the wheat-growers of the Northwest. This makes excellent cakes, cookies, scones and crackers. However, for the past 5 or 6 months, the policy of the Department of Agriculture has been to restrict the movement of the soft wheat, and instead to channel the hard red wheat to the markets of the Orient—much to the dislike of the ultimate consumers, whose tastes and dietary habits are accustomed to a large percentage of soft wheat. Our wheat people of the Northwest feel this is a policy that may jeopardize an expanding market which is being developed through the investment of a tremendous amount of American capital. It is unfair to the Pacific Northwest.

Officials of the Oregon and Washington Wheat Leagues have had long conferences with officials of the Commodity

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Stabilization Service just recently. Northwest wheatgrowers are hopeful that the Department of Agriculture will see the wisdom of programing, via Public Law 480 channels, an additional 15 million bushels of soft wheat into the markets of Korea, Pakistan, and India during the months between now and July 1, 1958. The impact of this problem has now gone beyond the confines of Wheat League membership. Labor has given official cognizance to it and recognizes in terms of the overall effect on the Northwest's economy, the importance of a favorable policy decision channeling Public Law 480 surpluses to the above-named nations.

Mr. President, I ask unanimous consent to have included, as a part of my remarks, the pertinent letter and resolution from the Multnomah County Labor Council, AFL-CIO, which is addressed to this problem. I also ask unanimous consent to include in the RECORD, three news releases issued by the Oregon Wheat Growers League which illuminate the importance of the Public Law 480 program.

There being no objection, the letter, resolution, and news releases were ordered to be printed in the RECORD, as follows:

MULTNOMAH COUNTY
LABOR COUNCIL, AFL-CIO,
Portland, Oreg., March 12, 1958.
HON. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Enclosed herewith is a copy of a resolution, which was unanimously adopted by the Multnomah County Labor Council, AFL-CIO, at its last regular meeting held March 10, 1958.

Certainly, as one of the large grain export ports on the west coast, any policies of the Department of Agriculture regarding the control of northwest white wheat is a definite factor in employment in this area.

We feel that because of the tremendous surplus of this same northwest white wheat now stored in this area, that a relaxation of the provision of Public Law No. 480 would greatly aid in the employment of everyone within the maritime industry of Portland and vicinity.

Sincerely,

EDWARD J. WHELAN,
Secretary.

Whereas the present policy of the United States Department of Agriculture, under Public Law 480, excludes the sale of western white wheat to India, Pakistan, and Korea and does give preference to hard red wheat sales from the gulf and Atlantic coasts; and

Whereas this policy based upon previous wrong surplus estimates has caused a price-depressing surplus of white wheat in the Northwest, and has deprived Pacific coast ships of many grain export cargoes, consequently causing wide unemployment among seamen, officers, and others in the Portland maritime industry; and

Whereas our community and Oregon is now a labor-surplus area with much unemployment and is in need of all business and contracts possible: Therefore, be it

Resolved, That in order to stimulate the Northwest white wheat export business and shipping and reduce unemployment in the Portland maritime industry, that the Multnomah County Labor Council, AFL-CIO, request Secretary of Agriculture Ezra Benson to modify this policy and make effective immediately, a program that will allow a proportionate amount of northwest white wheat

to be sold to these countries under Public Law 480; and be it further

Resolved, That we also enlist the aid of our Oregon Senators and Congressmen in Washington, D. C., in obtaining this change of policy.

Respectfully submitted.

MULTNOMAH COUNTY LABOR COUNCIL,
AFL-CIO.

EDWARD J. WHELAN, Secretary.

OREGON WHEAT GROWERS LEAGUE,
Pendleton, Oreg.

PENDLETON, OREG., March 4, 1958.—White wheat from the Pacific Northwest may soon sell again under Public Law 480, reported Jack Smith, president of the Oregon Wheat Growers League, on his return today from Washington, D. C.

Smith and Dick Baum, OWGL executive vice president, presented written and vocal presentations to Government agricultural officials and Members of Congress on behalf of white-wheat producers and exporters.

Continuation of price supports on wheat at an average national level of \$2 a bushel for 1958 crop were strongly supported. "Lowering supports would not market any more wheat or reduce the price of wheat foods to the consumer," Baum said. He stated that chances are good that supports will be stabilized. The white-wheat policy was instituted last year after 204 million bushels of white wheat were sold from Pacific Northwest ports. The record movement primarily was caused by Public Law 480 sales to India.

Because of the movement, the price went up to about 40 cents above the loan rate, forcing the Government subsidy to 97 cents. The carryover on July 1, 1956, of 135 million bushels was reduced 1 year later to 55 million bushels. Red-wheat producers in the Corn Belt and Southwest weren't so fortunate.

The Department of Agriculture foresaw a storage problem in those areas because the red wheat wasn't moving nearly as rapidly as white wheat. The Department also predicted the white-wheat carryover July 1, 1958, would be 12 million bushels.

A major reason modification of the white-wheat policy is sought, said Smith, is that the estimate now has been raised to 36 million bushels. This is approximately half the annual white-wheat production in the Pacific Northwest.

India, Pakistan, and South Korea have requested white wheat under Public Law 480 for purposes which red wheat cannot satisfactorily fulfill.

Baum and Smith requested the Agriculture Department allow the movement of three to four million bushels of white wheat a month. This, they contend, would not upset the market price.

[From Far East representative, Oregon Wheat Growers League, Tokyo, Japan]

BREADMAKING, BREAD-EATING TECHNIQUES
INVADING JAPANESE RICE REGIONS

Pacific Northwest wheat is invading rural Japanese areas where rice eating is traditional under one of the wheat-dish familiarization programs which have now been completed by the Oregon Wheat Growers League.

Under this program, according to the league's Far East representative, Joseph J. Spiruta, some 1,500 professional home economists are touring parts of the remotest prefectures to explain to housewives in agricultural areas the techniques of wheat-foods preparation and the beneficial aspects of wheat eating.

Spiruta's opposite number in the Ministry of Agriculture and Forestry, whose home-life improvement section has done so much to bring about the league program's success, is a diminutive Japanese lady, Mrs. Matsuyo Yamamoto, the first woman to be sec-

tion chief of this key Japanese ministry. Mrs. Yamamoto, a graduate of the Tokyo Women's Christian University, is also a graduate of Washington State College in the home economics division.

Project D—as this program is known to the United States Department of Agriculture's Foreign Agricultural Service—started at the prefectural, or state, level.

Each prefecture sent a home economist, together with one food specialist, to Tokyo for training, to study (1) the fundamentals of wheat-foods preparation, and (2) the use of these foods in the daily diet with suitable side dishes.

After a period of 21 days of study, lectures, and observations, the 92 technicians returned to their 46 prefectures to teach, in turn, a total of nearly 1,500 women extension agents what they had learned about wheat dishes. These women, all part of the nationwide, rural extension, adult education, and home-improvement extension service programs, are already meeting with parent-teacher associations, with fisheries and agricultural cooperatives, and with other groups to spread the word about wheat—about Pacific Northwest wheat as it affects this Asian nation.

This program of taking soft wheat into regions where hitherto rice has reigned as king is yet another of the Oregon Wheat Growers League's ideas for probing the vast Japanese wheat-consuming potential. It has been operated through the cooperation of the foreign agricultural service and the home-life improvement section of the Ministry of Agriculture and Forestry.

[From the Oregon Wheat Growers League]

ALL-OUT ADVERTISING CAMPAIGN EFFECTIVE

TOKYO.—Release of Japanese Ministry of Agriculture and Forestry statistics reveal that soft wheat flour products gained 10 percent in 1957 even though total wheat usage dropped. Abundance of domestic grown rice resulting from a bumper crop is to blame. Japan harvested its third consecutive abnormally large rice crop during the 1957 season.

Primarily responsible for the soft wheat gain under these adverse conditions has been an ambitious nationwide advertising and sales promotion campaign costing more than a quarter million dollars.

This past March 18, 1957, a project was entered into between the Foreign Agricultural Service of the United States Department of Agriculture and the Oregon Wheat Growers League for a broad-scale market development program to bolster the sale of wheat flour products in Japan.

Through advertising in newspapers and magazines, radio and television, posters and leaflets, cooking demonstrations and parades, bread festivals and special sales, films and quiz programs, and prize contests, Japanese housewives are urged to use more wheat foods. Cooperation comes from the Food Life Improvement Association, and the following industrial organizations; the All-Japan Bakers Cooperative Federation; the Japan Wet Noodle Makers Association; the Japan Dry Noodle Makers Association; the All-Japan Biscuit Makers Association; and the All-Japan Macaroni Makers Association.

Jack Smith, president of the league, said today, "Responsible people in Government and Japanese nutrition circles recognize that national health will be improved if steps are taken to increase the per capita intake of wheat by those now familiar with the grain and to introduce wheat foods to those to whom such things as bread, wet and dry noodles, biscuits, and macaroni are still virtually unknown."

"Steps have been taken," he continued, "to introduce Pacific Northwest soft white wheat to Japanese through a broad program of education carried forth to bakers, nutritionists, home economists, extension workers in rural

areas, school lunch program planners, government officials, and, of course, the general public."

Mr. NEUBERGER. Mr. President, I realize this is quite largely an administrative question. Perhaps I should not burden the chairman of the committee with it at all. It may be that the additional grants provided for in the bill can have some bearing on it.

I know the wheatgrowers in the State of Oregon feel a disproportionate amount of hard, red wheat of the Middle Western States, rather than the soft wheat of the Pacific Northwest States, is going to the Orient. Is there any way at all in which this situation can be corrected legislatively, or in which Public Law 480, now before the Senate, can have some bearing on that question?

Mr. ELLENDER. I assume there would be, but personally I would rather see it be done without earmarking.

Mr. NEUBERGER. I realize that would result in a competitive situation which might open up a Pandora's box.

Mr. ELLENDER. It might do that. We had similar suggestions made to our committee by the ricegrowers. They thought—with perhaps some justification—they were not getting their just share of the amount made available in the bill. Although I come from a rice-producing area, I do not favor at this time earmarking any of the funds for any particular purpose because it will certainly pose great administrative problems. I hope, however, that good judgment will be exercised by the administrator of this measure and that he will see to it that all commodities in surplus are treated equitably, as indeed they must be.

Mr. NEUBERGER. I want to say to the chairman of the committee that although I come from a so-called soft-wheat State, I share with him the thought and the principle that there should not be any earmarking. Once it was started, the portals and floodgates would be opened. I am inclined to think—I am sure it is the chairman's thought—that the Department of Agriculture, within the limits provided, will administer Public Law 480 as equitably as possible, not only as between commodities, but as between various categories within commodities.

Mr. ELLENDER. I think so. So far as possible, I shall be glad to lend my efforts to that end. I think it ought to be done that way. Not only categories of commodities, but areas in the country, should be taken into consideration.

Mr. NEUBERGER. Geographical areas?

Mr. ELLENDER. Geographical areas. I have been given assurance that is what is being done.

Mr. NEUBERGER. I thank the Senator from Louisiana.

Mr. ELLENDER. I hope that it will not only be continued, but that there will be frequent reappraisal. If it is not being done in the manner we have just indicated, it may be necessary for us to act to see that it is done that way.

As I said, the rice producers came to me. I took the matter up with the Department. After going over it very care-

fully, I found that considering the quantity of rice produced in contrast with the quantity of wheat produced and in contrast with the quantity of cotton produced, rice had received a fairly equitable share of the amount appropriated.

Mr. NEUBERGER. That is as much as any commodity or any segment of a commodity could expect.

Mr. ELLENDER. That is correct. I have been assured by the Department that is the policy. I hope it will continue to be the policy, because all commodities must be treated equitably.

Mr. NEUBERGER. I think it is characteristic of the chairman of the committee that he has not sought preferential treatment for the commodity produced within his own State. I know his reply in this respect will be most reassuring to the growers of soft wheat in the Pacific Northwest, particularly in Oregon and Washington.

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

Mr. ELLENDER. I yield.

Mr. AIKEN. I would not want the RECORD to show that the wheat growers have been discriminated against in the program.

Mr. NEUBERGER. If the Senator will pardon me, I did not make any such claim. I trust the Senator heard my remarks.

Mr. AIKEN. I did not hear the Senator very well. To be complimentary, the Senator's voice is not raucous.

Mr. NEUBERGER. The Senator is very kind.

The point I made was not that wheat as a whole had been discriminated against. I brought up the fact that the growers of soft wheat in the Pacific Northwest, which is quite different from the hard red wheat produced in the different climate of the Middle West, felt that they were not getting their proportionate share of the Public Law 480 shipments to the Orient, where the people by tradition and preference have favored the soft wheat. There was no desire to claim that wheat as a commodity has been discriminated against, because I realize that is not the case.

Mr. AIKEN. I understand the Senator. I hear him very distinctly this time.

Mr. NEUBERGER. I am sorry I did not speak earlier with sufficient vigor.

Mr. AIKEN. I was going to point out to the Senator that of the \$2,265,300,000 worth of contracts signed under title I, \$923.5 million were for wheat.

Mr. NEUBERGER. I am aware of that.

Mr. AIKEN. I am glad that is so, because wheat is in surplus.

Mr. NEUBERGER. It provides our largest surplus; that is correct.

Mr. AIKEN. I sometimes think that if we gave reasonable export subsidies to 4, 5, or 6 of our principal commodities, on which we can really compete in the world market, we might solve our agricultural problems more quickly than we can by trying so many of the devious routes we have been following in the past and perhaps will follow in the future.

Mr. NEUBERGER. I remember the first time I ever became really interested in the farm problem was when I was a student at the University of Oregon and heard the late Senator Charles L. McNary, who, if I am not mistaken, was a colleague of the able Senator from Vermont. The late Senator McNary was concerned about the wheat surplus which, of course, affected Oregon and a substantial number of other fine States. He was the sponsor of the McNary-Haugen legislation, which contemplated a world price for wheat, so that a substantial portion of our wheat could be disposed of in the world market.

I am aware of the current situation. I want the Senator from Vermont to know that I do not believe wheat has been discriminated against. I merely referred to our own soft wheat in the Northwest, which seeks its fair share of the market.

Mr. AIKEN. It is impossible to conduct the program without discrimination against someone; I am sure of that. I think the Department has done the best it could. In my opinion the wheat-grower of the Northwest is entitled to the market in the Orient, if the growers produce the type of wheat the Orient wants to buy.

Mr. NEUBERGER. Our two wheat leagues in Oregon and Washington—particularly the Oregon Wheat League—have spent a good deal in the way of funds to send technicians to the Orient to educate the people there how to use soft wheat, as in baking pies, scones, crackers, cookies, and other things in the diet previously unknown to people in Japan and other Oriental countries. They have tried to demonstrate ingenuity and resourcefulness in this situation.

Mr. AIKEN. That has been a worth while and successful effort.

Mr. NEUBERGER. It has been. I merely asked it be, to some fair extent, rewarded in the program.

I thank the Senator for his observations.

Mr. ELLENDER. Mr. President, under the program in effect prior to May 1957, barter contractors traded materials eligible for barter to Commodity Credit Corporation for agricultural commodities and then exported those commodities for dollars, usually through exporters normally exporting such commodities. By paying a commission, or in some other manner, the barter contractor enabled the exporter to lower the export price of the commodity sufficiently to make the commodity move. Furthermore, the purchase of materials eligible for barter in foreign countries generated dollar exchange needed for the purchase of the agricultural commodities. Materials eligible for barter are limited to those required for specified uses or which entail less risk of loss or substantially less storage charges. Barter therefore affords opportunities savings in deterioration losses and in storage charges.

Under the revised program, shipments of agricultural commodities to countries considered to be dollar markets may be made only where additional trade can be assured, and the barter contractor is

required to satisfy Commodity Credit Corporation that the proposed transaction will mean an increase in United States exports of the commodities involved. While the flexibility of barter arrangements permits the price reductions necessary to make the commodity move, generates the dollar exchange necessary to such movement, and therefore does increase overall exports, it is almost impossible to show that any particular barter contract will result in the so-called additionality required by the revised program. Just as we know that international trade is a two-way street, involving imports as well as exports, we know it is not possible to show that any particular import makes any particular export possible.

During the period prior to May 1957, the Secretary, in entering into barter contracts totaling \$870,100,000, apparently had reason to believe that such transactions afforded an opportunity to protect the funds and assets of the Commodity Credit Corporation. The committee feels that there is as much opportunity to protect the funds and assets of the corporation by barter today as there was prior to May 1957. The situation has not changed. However, the Secretary has changed his mind and is no longer able to find that such opportunity exists unless the barter contractor makes a specific showing of additionality. This cannot ordinarily be done on an individual transaction, and so further barter is prevented. Since the Secretary's inability to make the finding which the committee feels the facts require has resulted in the virtual stoppage of the program, the committee has recommended repeal of the requirement for such a finding. The Secretary is still required to exercise his discretion in making the best transaction possible. Just as a matter of course, implied in any direction to any Government officer, he is required to conduct the program in a manner which will protect the funds and assets of the Government. But the point is, he must conduct the program. He must do so to the best of his ability. The purpose of removing the Secretary's discretion as to whether he will barter at all, or not, is to make it clear that he is directed to conduct a substantial barter program, even though he may disagree with Congress as to the merits of such policy.

In addition to directing the Secretary to undertake a barter program without regard to whether he agrees with Congress that such a program affords an opportunity to protect the funds and assets of the Government, section 5 makes 3 other changes in section 303, generally intended to increase barter opportunities.

First, the direction of section 303 to barter is now limited to 3 types of materials, the first of which is strategic materials entailing less risk of loss or substantially less storage charges. The bill would broaden this category of barter material by extending it to all commodities of which the United States does not produce its requirements and which meet the criteria with respect to storage and risk of loss.

Second, since the bill directs the Secretary to undertake an expanded barter program in lieu of the restricted program favored by the Secretary, the bill would give him an objective and a limitation of \$500 million a year. During the first 3 years of the program, the volume averaged just under \$300 million a year. The committee believes that \$500 million, therefore, represents a reasonable objective.

Third, the bill would prohibit the Secretary from excluding materials from barter by reason of the fact that they have been domestically processed if provision is made for the importation of an equivalent amount of similar raw materials. Section 303 does not exclude domestic or domestically processed materials from barter, but the program regulations do, so this would require a change in the regulations.

Section 6 makes two amendments to section 206 of the Agricultural Act of 1956 to reflect the extension of section 303 to nonstrategic materials not required for immediate use.

Section 206 (a) of the 1956 act provides for the transfer of strategic and other materials acquired through barter to the supplemental stockpile, unless acquired for some other purpose. This would seem to be as clear a direction as could be given that nonstrategic materials are to be transferred to the supplemental stockpile in the cases described. However, even after the enactment of section 206 (a), it appears that the supplemental stockpile may still be understood by some to be restricted to strategic materials. This is not the law; it is not so restricted. Of course, in the past section 303 has provided for barter either for strategic materials or for materials for which a specified use is contemplated, so that other materials not acquired for other purposes would not be acquired under section 303, although they could be acquired under other barter authority.

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

Mr. ELLENDER. I yield for a question.

Mr. MORTON. It recently came to my attention—I do not know whether it is a fact or not—that certain Indian manganese producers were bargaining with German and French producers of ferroalloy materials who take the raw material and fabricate it, and that they want to make a barter arrangement with the Secretary of Agriculture. Under the bill as amended, and as it comes before the Senate, the Secretary of Agriculture could barter for the raw ore, which could be brought into this country and processed into the ferroalloy manganese, or any other product which can be preserved relatively permanently for the stockpile, or for reserve purposes.

Mr. ELLENDER. Yes.

Mr. MORTON. I thank the Senator for clearing up that point.

I should like to ask another question. Did not the committee reach the conclusion that, on the question of increasing our exports, it is impossible to show the criterion of what is called additionality? Did I correctly gather from the

chairman that it was impossible or very difficult to prove?

Mr. ELLENDER. It is very difficult to show. The distinguished Senator from Minnesota [Mr. HUMPHREY] went into detail on that subject in his report. He held hearings for several weeks.

Mr. HUMPHREY. The Department says it cannot prove it.

Mr. ELLENDER. Hearings were held by the distinguished Senator from Minnesota on June 11, 12, 20, 21, 26, 27, and 28, and July 16, 18, and 19.

I understand that the Department failed to prove its case, according to the testimony which was presented. I will gladly yield to my good friend from Minnesota to shed further light on the subject under discussion.

Mr. HUMPHREY. Mr. President, I think it is only fair to say that no one can by statements prove or disprove additionality. I do not think I could say that one could disprove the statement that some barter sales had perhaps cut into other sales; but, by the same token, when the Department of Agriculture insists that the so-called doctrine of additionality shall be the standard by which to judge barter, it cannot prove that barter sales have substantially cut into cash sales. But the factual record furnished us by the Department of Agriculture indicates the opposite. The statistical tables show a rough correlation between the rise of barter sales and the rise of cash sales.

I have been checking over the statement of Mr. Berger, of the Commodity Credit Corporation. He says he cannot really prove that barter sales have supplanted or cut into cash sales; but, by the same token, he says that the agency ran into some trouble with barter.

I think basically the trouble was that when the agency was giving interest-free commodities there were fears of some windfalls. If that situation had been really investigated—and perhaps this was where we failed in our responsibility, although I hope not—the result might have been very interesting. I have cause to believe that the reason for the issuance of the May 28 order cutting off barter and adding the so-called criterion of additionality, was that they might be accused of permitting windfall profits to be made, not from the exchange of goods, but from the interest-free commodities which were available.

The interest-free commodities have been stopped and in fact interest is now paid by the contractor. Nothing in this bill changes it.

So certain operators were previously able to make money from the use of commodities on which they were paying no interest. The regulations against this practice still stands, and there is nothing in the proposed amendments which would change that regulation. The Department came to the conclusion that this additionality factor was important after it was already in trouble on some other aspects of bartering.

Mr. MORTON. It is true, is it not, that since May 28, in certain countries, with respect to certain commodities, additionality has not had to be proved?

Mr. HUMPHREY. Yes. Those are what we call the underdeveloped countries. In respect to certain countries there is no application of the doctrine of additionality. All that "additionality" means is simply that before one engages in barter he must prove that the sale under barter would be in addition to any sale for cash. How anyone can possess such prophetic wisdom is beyond my comprehension. In other words, one is supposed to look into a crystal ball and see in advance that no one in the entire area would buy these commodities for cash. Thereby he proves additionality. At best it is a rough estimate. I think we would be foolish to judge the case of barter strictly on the basis of this single measurement particularly since the record shows that practically no parties have been approved under other criteria.

Do not misunderstand me. I am in favor of barter as such but earlier I challenged the Department because of what I considered to be a too liberal use of barter. After having been challenged on the basis of the liberality of the barter, the Department went from one extreme to the other. It is either in the Arctic Ocean or in a tub of hot water. They are either bartering wholesale or they are not bartering at all. What we ask for is reasonably good judgment.

Mr. ELLENDER. I wish to point out that I believe one of the principal arguments advanced by the Department of Agriculture is that commodities used for barter are sold by the domestic exporters for cash. The Department takes the position that since such was the case, then barter displaced cash sales. They said: If an individual could sell for cash, why could not CCC have sold for cash?

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

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I will tell the Senate the reason the Commodity Credit Corporation did not do it. It was because they did not know how to sell. That is the plain fact of the matter. They did not know how to sell as well as some of the brokers knew how to sell.

Mr. ELLENDER. Was that not the pertinent argument, however?

Mr. HUMPHREY. That is surely a part of the argument. I may also say that the dollars generated by the barter arrangement were eventually returned to the United States for the purchase of finished goods. Those goods included Diesel equipment, electrical equipment, and other finished products. While we were selling agricultural commodities, the dollars which had been generated by the sale of the commodities were used to buy materials from other countries under the barter arrangement and those dollars were then available for paying for exports from the United States. They were used for the purchase of manufactured goods. If that is bad, we need a little more of it.

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

Mr. ELLENDER. I yield.

Mr. MORTON. How do these transactions work? Let us say that a company has a million bushels of wheat

which it takes from the Commodity Credit Corporation. The company goes to France, let us say, and finds a customer for that wheat, and it takes those funds and buys zinc with them. Is that it?

Mr. ELLENDER. Usually they will sell the wheat for cash in one country; then, in payment for the wheat the Commodity Credit Corporation gets the bartered goods, such as zinc, or whatever the material may be which is the subject of the barter.

I go back to the proposition that in practically all of the barter transactions that were made for surplus commodities such as wheat, the strategic material obtained in exchange did not come from the country that had received the wheat. The commodities went to the country having dollars, and through good salesmanship the exporter in the United States of that wheat got a good salesman to sell that wheat, and they proceeded to sell the wheat for cash. In any event, the Commodity Credit Corporation did not get the cash, but the strategic material. Therefore, the Department of Agriculture concluded that since all the sales for surplus commodities were made for cash, why not sell them and get the cash, instead of bartering for the strategic materials? That was their argument.

Mr. HUMPHREY. Mr. President, I believe the arguments of the chairman of the committee are very convincing. What happened was that the private traders would go forth and get the business. That is why 2 years ago I recommended that instead of the Commodity Credit Corporation trying to be an exporter of wheat, it turn it over to private trade channels. I have outlined in my report to the committee what really happened under the barter arrangement.

I wish to make my position quite clear. I prefer cash sales. I prefer title I sales. I look upon barter as an additional method of selling commodities, not as the last word in it. I have sought the cooperation of the Department of State, and the Department of Agriculture, in making barter work satisfactorily. In fact, at the conclusion of the hearings, when we were acting on the pending bill, I walked up to the Assistant Secretary of Agriculture and spoke to him about it, and the letter I have from the Department under date of March 11 so indicates:

We have been requested by Senator HUMPHREY to give consideration and to report to your committee any possible language changes in the proposed amendment to title III which would make it more acceptable from our standpoint.

I have used them to help improve the barter program, and they know it. If any of their representatives are in the galleries, they know it. They went from one extreme, where they were bartering recklessly, to another extreme, where they refused to barter at all. Therefore, the majority of the committee decided that we ought to be as specific as necessary to get action.

The Senator from Kentucky asks how the arrangement works. When we

started our investigation, this is how it worked:

An American international trading company which normally imports ore, minerals, or other materials into the United States would approach the Department of Agriculture and offer to the Commodity Credit Corporation materials which were on the so-called list of objectives for barter.

This list originates in the Office of Defense Mobilization and contains the materials for which surplus commodities may be bartered. It is forwarded to the Department of Agriculture through the General Services Administration. The materials offered must meet Federal specifications and be offered at a price acceptable to the Commodity Credit Corporation which uses the experts of the General Services Administration to advise them. That is done to make sure that we are not being charged an exorbitant price for a material, but a fair market price.

The offerer had to commit himself to take the materials from a friendly country, deliver the commodities to such friendly country, ship 50 percent of the materials on American-flag vessels—this will be of interest to my friends who represent shipbuilding States—and otherwise meet the special requirements established by the law and the Department of Agriculture.

Many countries to whom we would send foreign aid are the same countries in which the purchases would be made by the barter company. This permits those countries to have dollars that they need with which to buy additional goods from the United States.

If these conditions were satisfied, the Department of Agriculture would accept the offer of the materials and agree to give in exchange surplus agricultural commodities which could be sold in any friendly country through normal trade channels.

The commodities were normally delivered promptly and sold, and the materials were delivered over the life of the contract.

Ordinarily, such contracts were for a period of up to 2 years. The offerer had the use of the proceeds of this sale until such time as deliveries of the materials were made and payment had to be accomplished. Prior to February 19, 1957, there was no limit on the interest-free aspects of the transaction, but subsequent to that time the period of no interest was limited to 2 years. Later, this was stopped entirely. This in part was where the profit was made. He was able to sell those commodities for interest-free money, while he was acquiring the materials that he was bringing into the United States over a period of 2 years.

That is why they were able to pay a little more to the Commodity Credit Corporation. That is why they were able to make sales. So they made money, and the Commodity Credit Corporation moved more commodities. That is the way it worked.

It works entirely through normal trade channels. As we have indicated, it results in the Commodity Credit Corporation making money. It results in

friendly countries selling to the United States and buying from the United States. It results in the American merchant fleet getting 50 percent of all the material shipped in American bottoms. It results in a substantial amount of storage saving.

What was the trouble? I will tell you what the trouble was. The Commodity Credit Corporation became frightened over a few of its own deals with private companies. I am not accusing private traders of doing anything wrong. They bought smart and they sold smart. They bought at the right price and sold at the right price. They had the use of interest-free money. They made money. The Department of Agriculture was afraid that some committee of Congress would investigate them.

I am not interested in investigating someone who makes an honest dollar. We are interested in having the Department of Agriculture sell its commodities. We are interested in friendly countries buying the commodities. We are interested in friendly countries selling us materials.

I wish the administration would not be afraid to have someone be a good businessman.

So they came before the committee and opposed barter transactions, not because they do not work; they do work. Not because they deny anyone a sale; they do not. Not because they do not help the American merchant marine; they do. Not because they do not save the American taxpayer money; they do save him money.

Mr. President, do you know another reason why they object to bartering? They object because someone says it may complicate our relationships with some other countries; but even that cannot be proved.

There is no obligation whatsoever that cannot be handled by a reasonable amount of good administrative give and take, administrative cooperation, between the Department of State, and the Department of Defense, and the Department of Agriculture.

Furthermore, the amendment on barter merely restates existing law requiring that the various agencies and departments cooperate with the Department of Agriculture wherever possible to barter our commodities for raw materials for offshore procurement, including defense installations. In other words, we can barter wheat for sand and gravel which may be needed for the building of airports. I know that the Department of Defense would rather use dollars; it is easier that way. But there is no reason in the world why the Department should not be told to use commodities which we have.

The record of the testimony will reveal that the departments of Government were reluctant to barter with our commodities; were reluctant to use our commodities for bartering purposes, perhaps so some could talk of our mounting surpluses, when, in fact, the surpluses in many instances could have been used, and in fact some have been used for the building of military housing in France

with American wheat, cotton, and other commodities.

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

Mr. ELLENDER. I have only a short statement to make before I conclude.

Mr. AIKEN. The Senator from Louisiana knows that I do not take much time.

Mr. ELLENDER. I yield.

Mr. AIKEN. I believe the cut by barter trade into dollar sales is due to the fact that most of the bartering was done in the dollar-sales countries of England, the Netherlands, Germany, Belgium, and France. It is also true that in the early part of the program, private traders undoubtedly made more through interest on the money involved between the time they got the wheat or other commodity and sold it for cash, and the time the money was used to buy diamonds or whatever they were trading for. That period could extend to 2 years before the Commodity Credit Corporation would charge them for the use of the money; therefore, about 12 percent interest could be obtained.

Unfortunately, they did not seem to use that interest to pay the Corporation a higher price, but they did use it, if we are to believe what we are told, to undercut trade in those countries, more or less to demoralize not only American dollar sales but dollar sales of other countries, particularly Canada.

We did not become involved in a civil war over that; I do not think we ever will. But we did encounter a good deal of irritation, both in this country and in neighboring countries.

That was one of the weaknesses of the barter system, which led to great criticism before the final showdown. We got a good share of the criticism. I understand that at present barter deals in the amount of about \$50 million are pending, but with Asia, not with the dollar countries.

Mr. ELLENDER. Mr. President, I should like to conclude my comments on section 6 of the bill.

Since the bill would amend section 303 to provide for barter for nonstrategic materials for which no immediate use is contemplated, the bill would amend section 206 (a) to eliminate any reference to strategic materials. This is intended to make it crystal clear that nonstrategic materials acquired through barter without a specific purpose in mind shall be transferred to the supplemental stockpile.

Section 206 (b) of the 1956 act provides for the duty free entry of strategic materials acquired through barter. Consistent with its amendment of section 303, the bill amends section 206 (a) to provide duty free entry for nonstrategic materials as well.

Last year and again this year the Committee has heard complaints that extra long staple cotton, although in surplus and desired by friendly countries under title I agreements, has been excluded from those agreements for various reasons. Last year (as pointed out on page 5 of the Committee report on the bill now before us) the Committee com-

mented on this treatment of extra long staple cotton and recommended that it be accorded the same treatment given other commodities. Apparently this recommendation has not been followed, so section 7 of the bill requires the fair treatment of extra long staple cotton under the act.

Mr. President, the evidence shows that the complaint made about extra long staple cotton was justified and admitted by the Department. In the meantime, we were informed that the friction had been eliminated; that long staple cotton was now being traded in the same manner as were other kinds of cotton, and that there was no objection to the placing of section 7 in the bill.

Since the committee reported the bill S. 3420 to the Senate, I have received from the Department of Agriculture, under date of March 11, a letter which states that the Senator from Minnesota [Mr. HUMPHREY] had requested suitable language changes which might make the barter provisions of the bill more acceptable to them. However, they were unable to furnish such language.

It seems that the Department is unalterably opposed to the proposal.

I ask unanimous consent to have printed at this point in the RECORD a letter dated March 11, 1958, addressed to me by Secretary of Agriculture, Ezra T. Benson.

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

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 11, 1958.
Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: We have been requested by Senator HUMPHREY to give consideration to and to report to your committee on possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to \$500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes short of the virtual nullification of the proposed change which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction. We believe the best interests of the Commodity Credit Corporation, as a Government instrumentality, are synonymous with the best interests of the United States.

In our judgment the elimination of the principle of additionality as a result of barter cannot be justified. This amendment directs the Secretary of Agriculture to completely ignore what agricultural commodities could be moved into export channels through the normal channels of trade for purchase by our regular customers for dollars. Its effect could be to replace to the extent of up to \$500 million per year of cash business by barter for materials which for the most part there would be no need in the near future. These materials would go into dead storage

in the hope that at some future time we will be able to utilize them without serious effects on domestic producers of these materials.

We have diligently studied the potentials of barter as a means of expanding our agricultural exports. We believe opportunities do exist. We believe honestly and sincerely our present policies will give some measure of assurance that increased exports are being accomplished through barter. We believe that the assumption that barter offers almost unlimited opportunities for expansion of exports is false. Such an assumption is based on the fallacious premise that the have not countries of the world with respect to food and fibre are countries that have great material resources to trade for food and fiber. This is not true. We believe, however, that substantial additional business can be achieved if export contractors are required to demonstrate additionality. If this requirement is eliminated all contractors will turn to easy barter and be content to merely replace cash sales.

There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefor is in order.

This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide-open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of those materials in the foreign countries and importers of those materials into this country want a price support and surplus removal program for those materials. We cannot solve the price support and surplus removal problems of our domestic agricultural economy by attempting to take on those same responsibilities for a much wider field of material production throughout the world.

Experience with our domestic agricultural programs has, we believe, led to one accepted axiom. Price support at profitable levels of production without effective controls on production can only lead to financial disaster. To the extent that barter provides a profitable outlet for foreign-produced materials, over and above that normally existing, foreign production and resultant surpluses will be increased. Certainly this country has not and could not have any semblance of control over such production.

There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities, we stopped the program for reappraisal. The domestic lead-and-zinc industry felt the full impact of the price depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials

and serves as a stimulant for further expansion of such surplus production.

The importers of diamonds have been vigorous proponents of expanded barter. Diamond production is controlled by cartel. World prices are maintained by the quantities of diamonds released to the market by those cartels. Diamonds have been held up as the glowing example of a material "entailing less risk of loss through deterioration or substantially less storage charges" than surplus agricultural commodities. There are a few surplus diamonds in the hands of importers now. The Congress, by the enactment of this proposed amendment, would direct the Secretary of Agriculture to not only provide a home for those diamonds but also to assure the diamond cartels of the world an outlet at world prices for an expansion of production up to whatever portion of the \$500 million limitation they could get the Department to accept.

Statements have been made in previous testimony before your committee by proponents of barter of the competitive advantage, price-wise, enjoyed by barter commodities. This has been advanced as an argument that barter stimulates agricultural exports. Assuming that such a price advantage exists, it can only serve to drive down the world price of agricultural commodities. Agricultural commodities moving under barter would be in competition, not only with agricultural commodities from other countries, but with agricultural commodities exported from this country through normal channels of trade. This can become a vicious circle. To the extent that the domestic market price is influenced by the price at which exporters can sell in world markets a lower price will result in order to meet the competition of the same commodity originating through barter.

The Department has, with the encouragement of Congress, made great progress in making agricultural surpluses in CCC inventory available on a competitive bid basis in order to meet world prices. The exporter who buys for dollars must and will bid lower than he ordinarily would, in order to meet what ever price advantage accrues from acquisition of those same commodities through barter.

Not only would the funds and assets of the Corporation suffer under such a progressively vicious circle but also the taxpayers who must make good the losses of the Corporation.

The Department is not opposed to barter. We believe it has a place in our multiapproach to surplus removal through expanding exports of agricultural commodities. We also believe, however, that the interests of agriculture and the United States as a whole will best be served if it is limited to those instances where administrative judgment believes it creates additional foreign purchasing power and channels that purchasing power into buying United States agricultural surpluses which would not otherwise move into export through normal channels of trade.

It is important to note that the proposed legislation will result in no saving in storage charges to the Commodity Credit Corporation. It will in fact result in increased costs. This comes about because we will not be gaining new agricultural export business but merely replacing dollar sales by barter sales. This means CCC inventories remain about the same on the agricultural side of the picture. We would, however, receive materials which must be stored at the cost of the taxpayers instead of dollars which at present we can use to reduce the indebtedness and interest payments of the Federal Government.

In summary it may be helpful to tabulate a few of the things the proposed amendment would and would not do. The amendment:

(1) Would direct the Secretary to barter up to \$500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of CCC and the Federal Government but would dissipate them.

(2) Would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash.

(3) Would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC even though such materials could not be used in the foreseeable future.

(4) Would increase the interest costs of CCC and the Federal Government.

(5) Would provide world price support for materials without permitting domestic mining interests to benefit directly.

(6) Would require CCC officials who are not experts in this field to spend up to \$500 million for foreign materials each year.

On the other hand the amendment:

(1) Would not appreciably reduce CCC inventories of agricultural commodities.

(2) Would not to any measurable extent establish new agricultural export outlets or increase existing ones.

(3) Would not reduce storage costs of CCC.

(4) Would not reduce deterioration losses of CCC.

(5) Would not be of help to farmers or to our commodity inventory problems.

The proposed amendment prohibits the exercise of administrative judgment to an unprecedented extent. In our opinion it would, in retrospect, serve as a basis to discredit the Congress that enacted it and those who attempted to administer it.

Since this proposed legislation is ready for consideration on the floor of the Senate, we have not cleared this report with the Bureau of the Budget.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. ELLENDER. Now, Mr. President, let us look at the other side of the coin. I read from a memorandum I have prepared concerning the Department's objections:

1. Department objection: The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction.

Answer: The bill does not propose the elimination of such consideration. Every Government officer must always have the protection of the assets of the Government in mind and perform his duties so as to protect those assets to the best of his ability. However, he must perform his duties without the necessity of any finding by him that their performance is required to protect the assets of the Government. The purpose of the bill is to direct the Secretary to undertake a barter program without the necessity of any finding on his part that the program directed by Congress is wise. This is not an unprecedented approach to legislative direction. In fact, it is difficult to think of any other legislative direction which is conditioned upon a finding that action under it will protect the funds and assets of the Corporation. There are many precedents to the contrary. To cite one example, the law requires the Secretary to support prices at certain levels. This direction is not limited to those cases in which the Secretary

finds that such action will protect the assets of the Corporation. The Secretary might believe that support should be made at somewhat different levels, or should not be made at all. But the legislation does not give him a choice as to whether he shall carry it out. He now has and is exercising that choice with respect to barter. The bill would remove that choice.

2. Department objection: The elimination of the principle of additionality as a result of barter cannot be justified.

Answer: The principle of additionality is not being eliminated. That is the whole basis and purpose for barter. The bill recognizes that although additionality cannot be shown on a transaction-by-transaction basis, barter provides a valuable method of increasing the total disposition of agricultural commodities.

3. Department objection: This amendment directs the Secretary to ignore what agricultural commodities could be moved into export channels through the normal channels of trade for purchase by dollars. Its effect could be to replace cash business to the extent of up to \$500 million per year.

Answer: The amendment does not direct the Secretary to ignore anything. It is hoped that he would be alert, diligent, and aware of every factor bearing upon the execution of his duties. Every one recognizes that barter could replace cash business. This is a calculated risk. And the extent to which that could happen is also a calculated risk. Certainly the Secretary does not mean that \$500 million worth of cash business would be replaced, since the Secretary states that he believes opportunities do exist to expand our agricultural exports through barter. So the question raised by this objection really is one of weighing the advantages of the additional exports that may be obtained through barter against the possible loss of an undetermined amount of cash sales. In determining this question consideration should be given to the following facts:

(1) Expansion of outlets through barter may result in greater cash sales rather than reduced cash sales.

(2) Up until May 1957 the Secretary found that almost \$300 million a year in barter business protected the assets of the corporation.

(3) In his letter of March 11, 1958, objecting to the provisions of the bill, the Secretary states, "We believe however that substantial additional business can be achieved if export contractors are required to demonstrate additionality."

(4) All the bill provides for is substantial additional business being achieved through barter. The Secretary may impose additionality requirements or any other requirements which may be reasonable and proper so long as he moves about \$500 million worth of commodities by barter.

4. Department objection: Barter results in a worldwide price support and surplus removal program for, and expanded production of, barter materials.

Answer: Of course anytime anyone buys anything, he provides a market for it, and this tends to keep the price up, remove it from the market, and encourage production of more of the same. Under the bill, barter authority with respect to materials entailing less risk of loss and less storage charges would be expanded to nonstrategic commodities. The Department would therefore have broad authority as to what materials would be taken. The Secretary would be expected to make the best trades obtainable. If an item in surplus could be obtained at a good price, that might well be a wise trade. On the other hand, if it promised only a continuing decline in value, the Secretary might well decide to trade for some other material.

5. Department objection: Barter transactions have a tendency to drive down the price

which CCC would receive for its remaining sales for cash.

Answer: So may any other sales or donations. It is better to move the commodities at a lower price than to hold them off the market at a higher price.

6. Department objection: Barter results in increased storage charges, since barter simply replaces dollar sales, so that we must store the same quantity of commodities and the barter materials, as well.

Answer: This presupposes that barter sales do simply replace cash sales. This supposition is discussed elsewhere.

7. Department objection: Would require CCC officials who are not experts in this field to spend up to \$500 million for foreign materials each year.

Answer: With a \$500 million program to be administered, it might be possible to hire an expert or so.

Mr. President, another letter was addressed to me by Secretary Benson, under date of March 13, 1958, with further reference to the barter provision. To that letter was attached a press release indicating that there was objection on the part of some of our friends to bartering. I read an excerpt from the Department of State press release:

Canadian ministers maintained that United States surplus disposal operations have adversely affected Canadian wheat sales. In particular they emphasized the harmful effects barter transactions have had on commercial marketings of all exporting countries, including Canada and the United States.

Mr. President, I ask unanimous consent to have the letter and press release printed at this point in the RECORD, so that the Senate will have the full effect of the correspondence.

There being no objection, the letter and press release were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF AGRICULTURE,

Washington, March 13, 1958.

The Honorable ALLEN J. ELLENDER,
Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: In further reference to my letter to you of March 11 commenting on proposed changes in the proposed amendment to title III of Public Law 480, 83d Congress, I attach herewith joint statement made by the 4 Ministers of Canada and 4 Cabinet officers of our own Government which has a bearing on the matter of barter.

Sincerely yours,

E. T. BENSON.

[Department of State press release of
October 8, 1957]

UNITED STATES-CANADIAN JOINT COMMUNIQUE
OF OCTOBER 8, 1957

The third meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs took place in Washington yesterday and today. The first two meetings were held in March 1954 and September 1955. In the discussions just held, the two Governments were represented by the following Cabinet members:

For Canada:

Donald Fleming, Minister of Finance
(Canadian chairman).

Sidney E. Smith, Secretary of State for External Affairs.

Douglas S. Harkness, Minister of Agriculture.

Gordon Churchill, Minister of Trade and Commerce.

For the United States:

John Foster Dulles, Secretary of State
(United States chairman).

Robert B. Anderson, Secretary of the Treasury.

Ezra Taft Benson, Secretary of Agriculture.
Sinclair Weeks, Secretary of Commerce.

In addition to the members of the Joint Committee, senior officials from both Governments were present.

The Joint Committee was established to provide an opportunity for the Cabinet members primarily concerned with economic relations to meet informally from time to time to exchange views and examine developments of mutual interest. The purposes of the Committee, as stated in the original terms of reference, are:

"(1) To consider matters affecting the harmonious economic relations between the two countries;

"(2) In particular, to exchange information and views on matters which might adversely affect the high level of mutually profitable trade which has been built up;

"(3) To report to the respective Governments on such discussions in order that consideration may be given to measures deemed appropriate and necessary to improve economic relations and to encourage the flow of trade."

This meeting was especially valuable as it was the first occasion since the Canadian election in June for a group of Cabinet members from the two countries to meet together. The meeting, which took place in an atmosphere of cordiality and neighborliness, provided an opportunity for a frank and informative discussion on trade and economic subjects of current interest to both countries.

The committee examined a wide range of subjects including domestic economic developments in the United States and Canada, the trade policies of the two Governments, agricultural policies and surplus disposal activities (especially those relating to wheat), the trade in agricultural products between the two countries, United States investment in Canada, United States policies affecting Canadian mineral products and a number of other specific questions of special interest to both sides.

In the course of the review of current economic conditions it was recognized that the two countries have a deep and continuing interest in each other's economic stability and strength. In particular, representatives of the two Governments expressed their full accord on the importance of a high level of business activity being maintained in their economies, and on the need for growth that does not endanger stability, both in their domestic economies and in the trade of the free world. The recognition of this reciprocal interest was considered basic to close and effective cooperation between the two countries as an integral part of their contribution to world peace and security, including the common defense of North America.

In the review of general trade policies Canadian ministers drew attention to the important implications for Canada of the very high proportion of its external trade which is taking place with the United States. The volume and variety of goods entering into this trade made Canada by far the most important commercial customer of the United States and vice versa. In 1956 well over \$4 billion worth of United States goods, or approximately one-quarter of the total cash exports of the United States, were sold in Canada. On the other hand Canadian exports to the United States amounted to less than \$3 billion. In the light of these facts Canadian ministers stressed the effects on Canada of developments in United States commercial policies.

The United States members for their part stressed the dependability of the United

States economy both as a market and as a supply source. They drew attention to the strong economic position of Canada and pointed out that Canada's trading deficit with the United States had been accompanied by an inflow of capital from the United States and that the rest of the deficit had been covered by Canada's trade surplus and investment inflows from other parts of the world. In these circumstances, the United States members felt that the trade and payments relationships between the two countries were basically sound and demonstrated the effective working of multi-lateral trading policies.

It was agreed that in formulating its trade policies each country should show careful regard for the interests of the other.

There was considerable discussion of means for promoting the orderly expansion of world trade. In particular the representatives of the two Governments were in accord on the need for continued support of the General Agreement on Tariffs and Trade, to which both the United States and Canada are parties.

Canadian Ministers maintained that United States surplus-disposal operations have adversely affected Canadian wheat sales. In particular they emphasized the harmful effects barter transactions have had on commercial marketings of all exporting countries, including Canada and the United States.

The United States members affirm to the Canadian Ministers their intention in all surplus-disposal activities to avoid, insofar as possible, interfering with normal commercial marketings. They gave assurance that under the present revised Commodity Credit Corporation barter program each barter contract must result in a net increase in exports of the agricultural commodity involved, and that interest must be paid until the strategic materials are delivered or payment is otherwise effected for the agricultural commodities.

The members of the Committee were also agreed on the value of continuing consultation in order to keep to a minimum any harmful effects of surplus-disposal activities.

There was a full discussion of agricultural policies which affect trade between the two countries.

The Canadian ministers expressed concern over the effect on Canadian producers which would result from any future action by the United States to raise duties on imported lead and zinc. The United States members explained the situation confronting their domestic producers. They called attention to the continuing need for imports of certain minerals and metals and indicated that any United States tariff action that might be taken to relieve serious injury to United States producers would have the primary objective of maintaining a normal relationship between imports and domestic production. They noted that any such action would be applied in accordance with the procedures of the General Agreement on Tariffs and Trade.

The Canadian ministers clarified the concern frequently expressed in Canada regarding the nature and extent of United States investment in Canadian natural resources and important manufacturing industries. They made it clear that Canada welcomed the inflow of capital and recognized its important contribution to Canadian economic development. It was the hope of the Canadian Government that all United States companies participating in the expansion of the Canadian economy would develop and maintain closer and mutually beneficial relationships with the people of Canada. In this connection note was taken of the recent supplementary tax convention between the United States and Canada which was designed to facilitate greater Canadian partici-

pation in American-owned corporations operating in Canada.

The United States members welcomed this clarification by the Canadian ministers and pointed out that the great confidence which United States business feels toward Canada is the result of many years of experience and association.

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

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I simply want to have the RECORD include the fact that as a result of barter sales, it has been possible for the United States to purchase an additional \$60 million of ore and minerals from Canada.

Also—and I regret that this must be said—the whole issue of bartering became a basic political issue in the current election in our great sister nation to the north. I regret this, but it has become an issue between the two major political parties of Canada.

Recently other friendly nations have seen fit to sell substantial quantities of grain to the countries behind the Iron and the Bamboo Curtain. I am not trying to tell them how to run their business, and they ought not to tell us how to run ours. I am a member of the Committee on Foreign Relations and am generally considered to be friendly to foreign aid—a little more so than some of my colleagues—and friendly toward the needs of other countries. But, if I am not mistaken, in recently weeks a very substantial sale of grain has been made to China. Also recently a very substantial sale of grain was made to India. That was fine; I am pleased to see the sale to India. But, Mr. President, by the same token I see no reason why the United States of America should not make some sales, too. After all, our wheat farmers are faced with the possibility of \$1.78 wheat for the coming year, and that picture is not exactly what they regard as an entertaining one. In the meantime our surpluses remain in the storage depots, and the public is led to believe that the costs for storage are tremendous. Thus the farm program becomes discredited.

One way to help the farm program along is through orderly utilization—and I emphasize the words "orderly use"—of our stocks.

I wish it clearly understood that, as a responsible Member of this body, I have urged the Department of Agriculture to proceed cautiously and prudently in the closest coordination with the Department of State. But the kind of caution the Department of Agriculture has exercised amounts to standing still and literally refusing to negotiate or permit barter arrangements. That cannot be justified. No member of the Committee on Agriculture and Forestry can say that the Department of Agriculture has not, by the order of May 28, 1957, for all practical purposes, put roadblocks in the way of barter arrangements. The order of May 28, 1957, if it had any validity, could just as well have been made a year before, because it was made on the basis of the language of the law we are now in the process of amending. That language has been in the law since it was

passed by the 83d Congress. That language was supported by the Secretary of Agriculture and the Secretary of the Interior and the representatives of both those Departments who appeared before the Committee on Agriculture and Forestry. In fact, even stronger language was supported by the Secretary of the Interior at the hearings of last June and July.

Mr. President, I repeat that when we consider the barter system, the question is entirely one of how it is to be used and the sense of direction to be followed. The sense of direction—not the purpose of the law—is what has caused the problem.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Mr. President, I confess that I am disturbed about the broad language in this barter provision. Not only have I been giving it personal study, but I have been receiving some inquiries from Florida.

The distinguished Senator from Louisiana knows that tung oil is one of the products of both his State and mine, and that the production of tung oil in the United States is less than the amount the United States can use. Yet almost yearly we have had great difficulty in getting the Government to limit imports from some of our friendly neighbors who produce it more cheaply than it can be produced in the United States.

My question is as follows: Under this wide-open, broad barter provision in the bill would or would not the Secretary of Agriculture in his sole discretion be allowed to trade a surplus commodity, such as wheat, rice, or cotton, for tung oil produced offshore, simply because tung oil can be easily and cheaply stored and preserved?

Mr. ELLENDER. It is conceivable that he could, if the conditions outlined in section 303 were met.

Mr. HOLLAND. What are those conditions?

Mr. ELLENDER. The first is as follows:

Materials of which the United States does not domestically produce its requirements—

Mr. HOLLAND. That is true in the case of tung oil, is it not?

Mr. ELLENDER. Yes.

I continue to read the first condition—and which entail less risk of loss through deterioration or substantially less storage charges—

Mr. HOLLAND. That would be true of tung oil, would it not?

Mr. ELLENDER. I do not know about that, I may say to my good friend, the Senator from Florida, because it might be possible to show that it would be more expensive to store tung oil than to store wheat, or perhaps than to store any other commodity which would be exchanged for it.

Mr. HOLLAND. But if tung oil could be stored—and I believe it can be—much more cheaply and could be preserved

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over much longer periods of time than grain which was in surplus, that condition could be met, could it not?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. What is the other condition?

Mr. ELLENDER. The other condition is—

or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs—

Mr. HOLLAND. That is in another area or field, is it not?

Mr. ELLENDER. Yes.

The last condition is—

or (c) materials or equipment required in substantial quantities for offshore construction programs.

Mr. HOLLAND. That, too, is in another field, is it not?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Therefore, the only 2 conditions thus required, if met, could be complied with by bartering for tung oil, even though nearly every year the American producers of tung oil have been crying to have a quota applied against imports of tung oil; is that not correct?

Mr. ELLENDER. That is technically correct, but I will be frank in stating that I do not see how the Department could barter for foreign tung oil when we support the price of domestic tung oil. In addition, I personally would oppose any such program most vociferously.

Mr. HOLLAND. Very well.

Mr. President, at this time I wish to inquire about another commodity. The Senator from Louisiana knows that many of the mines in the Western States are closed. I hope the Senator from Montana [Mr. MURRAY] will not leave the Chamber at this time, because I believe this matter is of very great importance to him.

I am thinking about copper mines, zinc mines, lead mines, and other mines. Some of the materials mined are not produced in the United States in quantities sufficient to meet our full needs. It seems to me that even though the strategic amounts required by our country—and more than that—have been stockpiled, under this provision, if it remains in the bill, the Secretary of Agriculture, in his sole discretion, would be allowed to exchange our surplus farm commodities for either the metal or the metallic ores which could be stored in any quantities the Secretary of Agriculture might desire to import, and which therefore would become a cloud hanging over our domestic production. Is that correct, or is it not?

Mr. ELLENDER. Let me put the matter this way: Any commodity or "materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges" could be an object of barter. There is no doubt of that.

Mr. HOLLAND. Of course the Senator from Louisiana is correct. It seems to me that at least permission is thus given by the bill, and could be used, so that under this barter arrangement the

United States would be importing products which are not produced in excess supply in the United States, even though the American producers are finding it extremely difficult to continue their production operations.

I wish to ask a question in reference to sugar, a commodity of very great importance to both Louisiana and Florida, and also to many of the Western States. Sugar is a deficit product; it is a product of which the United States producers do not supply the full needs of the United States; is that not correct?

Mr. ELLENDER. Yes; the Senator from Florida is technically correct in his assumption. But I would say the bill would not apply to sugar, for the simple reason that, as the Senator from Florida knows, we have a quota system under which production in the United States is limited. I believe the United States produces approximately 29 or 30 percent of its sugar requirements; and a quota is given to Cuba, and quotas are given to various other producing areas. I doubt that, in view of the quota system of the present Sugar Act, sugar could be imported under the provisions of Public Law 480.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I admit there is some force to the distinguished Senator's argument; but this measure, which, if enacted, would be the last one on this subject to be placed on the statute books, establishes no condition and makes no qualification at all, but simply provides that "materials"—and the amendment would eliminate the word "strategic," which is in the present law—"of which the United States does not domestically produce its requirements"—certainly that is applicable to sugar—"and which entail less risk of loss through deterioration or substantially less storage charges"—and certainly that is true of sugar, as compared to some of the very bulky crops which are in surplus supply. So I am afraid that it might be said that under this language, unless an exception were made in the act, even sugar could be the subject of barter.

Mr. ELLENDER. Mr. President, I am sure the Secretary of Agriculture would have to look to the laws now existing with respect to sugar and tung oil, in fact, those with respect to any other commodity, before exercising the provisions of this act. It is inconceivable to me that any commodity subject to price support as is tung oil, or quotas as is the case with sugar, would be bartered for by the Department. I would certainly oppose any such interpretation.

Mr. HOLLAND. It seems to me there is no occasion for us to let down the bar by eliminating the word "strategic," which is the conditional word used in the present act, and to give to the Secretary of Agriculture—simply because he could avoid some storage charges—the power to get rid of some surplus agricultural commodity by bartering it, and thus importing certain materials of which the United States does not pro-

duce sufficient to meet its needs, even though the United States producers of such materials may be in trouble from time to time—just as the United States producers of tung oil are in trouble at this time, and just as many of the United States mineral producing industries are also in trouble.

It seems to me we were wise in the original instance in confining the law to the barter of strategic materials. I have very great confidence in the distinguished Senator from Louisiana. I realize this point was not raised in committee.

Mr. ELLENDER. Yes, it was. I think the Senator himself raised the question as to whether sugar would come under the provisions of the bill.

Mr. HOLLAND. No; the Senator from Florida did not.

Mr. ELLENDER. I beg the Senator's pardon. I know some Senator raised the question in committee.

Mr. HOLLAND. It seems to me we are taking a real chance if we open the door of barter to the extent of directing the Secretary—and this is a direction to the Secretary—if he can find something we do not produce to our full need, which he can store more cheaply than he can surplus agricultural commodities, to acquire it without reference to the essential economy of our country in connection with the particular article.

I am afraid if we provide that condition, we shall get ourselves in trouble and put ourselves in a difficult situation. If I should vote for the provision as it is now written, I would not like to justify it to our tung-oil producers, whom the Senator from Louisiana and I have tried so many times to protect, either by getting a quota in effect or getting a complete ban on importations in some years.

Mr. ELLENDER. I do not fear that the Secretary will trade tung oil for rice, sugar, wheat, or anything else. For one thing, if he attempted to do so, I would certainly demand an end to such a scheme. I would personally favor any necessary amendments to the law to preclude the implementation of a transaction of that kind.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. STENNIS. Mr. President, I commend the Senate Agriculture Committee for prompt action in reporting S. 3420, the bill to extend the Agricultural Trade and Development Act—Public Law 480—for 2 additional years. Since the enactment of this law in 1954, almost 3 million bales of cotton have been exported. Under this legislation 25 million bags of rice, 162 million pounds of dairy products, 1.8 billion pounds of vegetable oil, 225 million pounds of lard, 3 million pounds of poultry, and a substantial amount of other important surplus agricultural commodities have been exported.

This program has a three-fold objective of reducing agricultural surpluses by exporting an amount over and above normal trade sales, expanding foreign markets through procedures which encourage maximum use of private trade channels and the use of a part of sales

receipts for market development research and promotion. I strongly believe that this program has proved to be a sound approach to moving our surplus agricultural commodities in such a way as to get the fullest value for surplus commodities. This aid program has been based on a concept of trade rather than giveaway, and I hope the plan to extend its operation will receive the full support of the Senate.

Mr. President, for several years I have sponsored legislation through our Military Construction Subcommittee designed to use more foreign currencies received from the sale of agricultural commodities for construction of overseas military housing. The larger part of the cost of our overseas military housing program that would otherwise call for expenditures of dollars can be met through sale of surplus agricultural commodities. I believe that this program is a desirable approach from the standpoint of moving surplus agricultural commodities in a business-like way at the least possible cost and at the same time building badly needed military housing in foreign countries. Our committee has also urged greater use of barter of agricultural commodities in connection with military housing. This arrangement has enabled countries who have heretofore not been interested to obtain surplus commodities under Public Law 480.

Unfortunately, the Department of Agriculture has resisted barter transactions primarily because of the long period of time required for repayment. This certainly appears to be merely a technical problem, and I certainly hope that the Department of Agriculture will reexamine the importance of this program and adopt a more realistic policy which will encourage and expand barter transactions.

I should like to insert a summary progress report of the projects being financed with the proceeds of surplus agricultural commodity sales. In all cases except France, the commodity sales are made under the authority of title I, Public Law 480, and the local currency proceeds are used to pay construction costs. In the case of Morocco and Iceland, "Third country" use of local currency is involved as explained in the summary. In France, the initial project of 2,700 units of housing was supported by a barter transaction executed by the CCC under the authority of this barter act.

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

There being no objection, the matter was ordered to be printed in the Record, as follows:

UNITED KINGDOM

The initial project of 1,500 units of housing in the United Kingdom is completed and occupied. A second increment of 748 units and a third increment of 307 units, plus schools and chapels at certain of the locations, have been approved and are expected to be placed under construction before the end of the current fiscal year. A fourth increment of 1,840 units is planned for execution during fiscal year 1959.

ITALY

The project for 493 units of housing for United States military personnel in Italy has been approved for several months and design work is complete. Actual construction has been delayed pending final acquisition of building sites by the Italian Government (at no cost to the United States). This acquisition has now been completed and construction is expected to proceed before the end of the current fiscal year.

SPAIN

A project for 334 units of housing at the Naval Air Station, Rota, Spain, and a first increment of 92 units for Department of the Air Force between several locations were placed under contract in the fall of 1957. In addition, a contract was executed for the in-leasing of 1,581 units of rental guaranty housing being constructed at Madrid, Sevilla, and Zaragoza. In this case it was possible, by executing a prepaid lease for 7 years under the surplus commodity housing program, to assure the completion of this urgently required housing while keeping costs at the same levels which prevailed before the recent inflation of Spanish currency.

Additional projects totaling 1,081 units of family housing are planned for execution in Spain during fiscal year 1959. These projects will be financed directly from title I, Public Law 480 funds.

FRANCE

The initial project of 2,700 units of housing at 19 locations in France was financed with the proceeds of a barter sale conducted by the Commodity Credit Corporation under the authority of its Charter Act. This construction is proceeding satisfactorily and is expected to be completed in the fall of 1958. An additional project for 400 units of family housing in France is planned for execution during fiscal year 1959. This project will be financed from the proceeds of a Public Law 480, title I sale of agricultural commodities to France.

MOROCCO

A project for 500 units of family housing is planned for the three Air Force bases in Morocco. Bids were taken on this project in the fall of 1957 and it is expected that award will be made within the next 60 days. This project will consist of prefabricated houses purchased in Austria with the proceeds of surplus commodity sales to Austria under title I of Public Law 480. Site costs will be paid from Austrian currency and from appropriated dollars. An additional project for 330 units of housing at the Naval Air Station, Port Lyautey, Morocco, will make use of prefabricated houses purchased in Finland with the proceeds of title I, Public Law 480 sales to Finland. The cost of site development and erection will be paid partly through the use of appropriated funds (not to exceed 25 percent) and will be accomplished partly through the use of Seabee labor.

ICELAND

A project of 300 units of family housing is planned for Keflavik Air Force Base, Iceland. It is planned that prefabricated houses for this project will be purchased in Finland with Public Law 480, title I finnmars and that erection costs will be paid partly with title I Icelandic currency and partly with appropriated dollars.

BERMUDA

300 units of family housing are planned for construction during fiscal year 1959 at Kindley Air Force Base, Bermuda. The cost of this housing will be paid from British pounds sterling obtained through a title I, Public Law 480 sale to the United Kingdom. This project also will be supported (not to exceed 25 percent) with appropriated dollars.

PORTUGAL (AZORES)

It is planned to proceed during fiscal year 1959, with a project of 306 units of family housing at Lajes Air Force Base, Azores. The first increment of 135 units in this project will be supported with existing title I funds which have accrued from the sale of surplus commodities to Portugal. Financing of the remainder of these houses will be developed through further surplus commodity sales.

JAPAN

The original project of 1,700 units of family housing to be built at Army, Navy and Air Force installations in Japan has now been reduced to 1,350 units as a result of the redeployment of United States forces in Japan. No further housing construction is planned in Japan and plans are now underway to arrange for the use of the remaining local currency earmarked for housing to support housing construction in the Philippine Islands. It is expected that approximately \$3 million will remain from the first Japanese agreement which can be added to the \$8 million of housing funds created through the second Japanese agreement. This \$11 million is expected to provide most of the necessary financing for the housing program in the Philippines described below.

PHILIPPINE ISLANDS

It is planned that 450 units of family housing will be built at Clark Air Force Base in the Philippines with the cost of construction to be paid from Japanese yen accrued from Public Law 480, title I sales to Japan, plus approximately \$1.5 million in pesos obtained through a title I sale to the Philippine Islands. Additional support will be provided from appropriated dollars (up to 25 percent) if required.

Mr. STENNIS. Mr. President, the distinguished junior Senator from Minnesota [Mr. HUMPHREY] has on several occasions expressed a special interest in barter programs. I understand that he has introduced an amendment included in the committee bill which directs the Secretary of Agriculture to barter agricultural commodities for critical and scarce materials needed in the United States. These barter transactions would be limited to \$500 million annually and would be especially directed toward acquiring materials which entail minimum loss due to deterioration and low-storage charges. This certainly appears to be a step in the right direction toward assuring an available supply of scarce materials which cannot be adequately produced domestically. To me it makes sense to use our present agricultural surplus to obtain the materials that we may need for an emergency.

Mr. President, I should also like to reaffirm my special support for using foreign currencies for market-development projects. Under existing agreements, about \$43 million in currencies have been allocated for foreign agricultural market development. To date, more than \$9 million is being obligated for approved projects in cooperation with private trade organizations that have contributed almost \$3 million. I understand that cotton-promotion projects have been undertaken in 21 countries and have contributed to the free movement of cotton overseas and are expected to continue to create a foreign demand for American cotton. This program is a move in the right direction and will be of lasting benefit in building strong mar-

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kets for all United States agricultural commodities in the years to come. I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Mr. President, looking ahead I strongly believe that title I and title III of the Agricultural Trade and Development Act combined with sound loans should systematically replace our foreign-aid programs. A great part of our huge cash outlay under the foreign-aid programs can and should be channeled more effectively through this program.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. The Senator from Vermont has been trying to get the floor since about sunrise.

Mr. ELLENDER. Mr. President, I still have the floor. I think I was recognized some time ago.

Mr. AIKEN. I believe I was recognized.

Mr. ELLENDER. I yield to the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Does the Senator from Vermont have the floor?

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

Mr. ELLENDER. Mr. President, I do not remember yielding the floor, but it is all right.

Mr. AIKEN. Mr. President, I ask unanimous consent that I may yield to the Senator from Louisiana long enough for him to reply to a question by the Senator from Colorado.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. ALLOTT. If the Senator from Louisiana will be so kind as to answer 2 or 3 questions, I would appreciate his courtesy. I have been trying to get the floor for some time. I realize that the colloquy has been long and involved. I attempted to get the floor before the Senator from Florida brought up the question of strategic materials.

As my first questions to the Senator from Louisiana, I wonder if the Senator can give us, since I find nothing in the report about it, information as to the amounts of metals such as copper, tungsten, lead, zinc, and fluorspar, which have been imported into the country in the last year under this act.

Mr. ELLENDER. We do not have the information available. It may be that the distinguished Senator from Minnesota [Mr. HUMPHREY] has that information. He held hearings last year on the subject, as I stated.

Mr. ALLOTT. I wonder if we could have that information supplied for the Record.

Mr. ELLENDER. I shall see if the information can be obtained.

Mr. ALLOTT. Those of us who come from mountain States in which ore production is of great significance are very much worried about this matter. Am I correct in assuming that under the fifth provision contained in the report, on the first page, metals such as tungsten, lead, zinc, copper—nonferrous materials—

could come into this country, under the barter program, duty free?

Mr. ELLENDER. If we are in short supply and we need them, and they are not domestically produced, yes. In doing that, I presume the administrator of the program would certainly survey the amount we have on hand of any of those materials. I would give him credit for doing that. If there is on hand in the stockpile a supply of tungsten or any other metal which we do not produce, and of which we have a 10- or 15-year supply, I presume the administrator would not let any more of the material be imported.

Mr. ALLOTT. Let us take the case of tungsten.

Mr. ELLENDER. I believe that we have a 10-year supply of that material.

Mr. ALLOTT. My understanding is we have a five-year supply.

Mr. ELLENDER. I thought it was a 10-year supply.

Mr. ALLOTT. But in the case of lead and zinc, as well as of tungsten, we are capable of producing those metals in this country. I am sure we can produce all the tungsten we need, but in the case of lead and zinc we can produce far in excess of what we can market. Is not the effect of the barter provision to depress the price of those metals?

Mr. ELLENDER. If we produced our domestic requirements we could not barter for the minerals the Senator has made reference to. In other words, section 303, on page 3 of the bill, states specifically that the Secretary can barter materials of which the United States does not domestically produce its requirements.

Mr. ALLOTT. I see that requirement. But in the case of any mineral of which we do not produce all our requirements, the Secretary could still barter for those materials and import them into this country, tariff- or duty-free, in competition with the mineral producers of this country. Is that correct?

Mr. ELLENDER. How would that differ from the present manner in which we obtain materials that are not domestically produced in sufficient quantities to meet our demands? In other words, how would there be any additional competition under the program?

Mr. ALLOTT. On page 3, line 8, it is stated:

Materials of which the United States does not produce its requirements and which entail less risk of loss through deterioration.

Mr. ELLENDER. How do we obtain our supply of materials of which we do not produce a sufficient quantity? We buy them.

Mr. ALLOTT. We buy them offshore.

Mr. ELLENDER. Exactly.

Mr. ALLOTT. But we do not import them into the country duty free. That is the point.

Mr. ELLENDER. The minerals which are in our stockpile have come into this country in that manner. The minerals that would come into the country under the pending bill would likewise go into the stockpile. The law in that respect has not been changed at all, I say to the Senator from Colorado.

Mr. ALLOTT. I realize the law may not have been changed, but this is one of the practices which has been acting as a depressant to domestic mineral producers. For instance, under Public Law 480, a fluorspar mine was put into operation in Mexico, in competition with fluorspar mines in this country. While the producers in this country can produce our needs of that mineral, fluorspar from the mine in Mexico was imported in competition with that produced in our own country.

Mr. ELLENDER. I could point out to my friend from Colorado any number of industries which were established with his money and with my money, not under Public Law 480, but as a result of cash we, in part, furnished. Take, for example, the automobile plant rehabilitated by foreign-aid funds in France. We spent millions of dollars to revitalize that plant. It belonged to the French Government at the time. The French Government has since sold it. The Senator's money and my money was used to put the factory back on its feet. Today that factory is shipping carloads of automobiles in competition with those produced in Michigan.

This result is not peculiar to Public Law 480. I could point out any number of instances for the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield so that I may point out a reference?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. Mr. President, I think it would be very helpful if the Senator from Colorado [Mr. ALLOTT] could refer to the hearings. I know the Senator is a very busy man, and we all do not have time to go through 600 pages of hearings.

Mr. ALLOTT. The Senator is correct.

Mr. HUMPHREY. I should like to refer the Senator to page 575 of the hearings.

Mr. AIKEN. Mr. President, I did not yield for the purpose of listening to a series of speeches. I yielded so that the Senator from Colorado might make an inquiry or two of the Senator from Louisiana. I hope I will have a chance to offer my amendment.

Mr. ALLOTT. Mr. President, I will yield the floor and later try to procure the information I desire in a different way.

I thank the Senator from Vermont.

Mr. AIKEN. Mr. President, I call up amendment 3-17-58-B, on behalf of myself and the Senator from Iowa [Mr. MARTIN], and ask that it be made the pending question.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The amendment will be stated by the clerk.

The LEGISLATIVE CLERK. On page 3, line 3, it is proposed to strike out all of sections 5 and 6.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] for himself and the Senator from Iowa [Mr. MARTIN].

Mr. AIKEN. Mr. President, there have been some good arguments made in favor of the amendment this after-

noon; and, therefore, I am not disposed to take much time of the Senate. I am sure we are all agreed as to the desirability of continuing Public Law 480, which has performed outstanding service for us not only with regard to agriculture but with regard to other segments of our economy as well.

I voted to report the bill from the committee, as did all the other members of the committee, but I reserved the right to oppose on the floor the provisions relating to barter, because I felt they were altogether too broad and would perhaps lead us into a great deal of trouble. Therefore, the Senator from Iowa [Mr. MARTIN] and I have offered the amendment which is now the pending question.

Public Law 480 has accomplished a great deal of good. It has helped to dispose of our surplus commodities. It has helped to pay the cost of mutual aid and other programs. It has helped to relieve famine and want in many of the poorer countries of the world.

Mr. President, I desire to speak on the provision of the pending bill which would change the existing law relating to barter transactions. The amendment has been offered, in an endeavor to strike out sections 5 and 6 of the bill, because of the proposed change in existing law.

The greatest objection to sections 5 and 6 is that they open up barter contracts so as to replace dollar sales. The agricultural commodities owned by this Government are a valuable although a burdensome asset. The pending bill would in effect almost earmark the proceeds from sales of commodities which are currently being sold for dollars for the purchase of foreign materials, up to \$500 million a year. The Department of Agriculture would be operating a price-support program for metals and minerals produced all over the world. However, our down domestic mining interests could not participate, and any temporary benefits to them would be more than offset by the encouragement to the expansion of the productive capacity abroad and the maintenance of tremendous stocks of metals in Government hands in dead storage in this country; which stocks, if the taxpayer is ever to realize anything on his investment, must some day be utilized in competition with domestic production.

In that respect, Mr. President, we know how the enormous accumulations of farm commodities have depressed prices for farm products in this country. Is there any reason to believe that enormous accumulations of minerals taken in barter would not also depress the price of minerals?

Mr. JENNER. Mr. President, will the Senator yield on that point?

Mr. AIKEN. I yield.

Mr. JENNER. Is the stockpile program not now nearly \$8 billion?

Mr. AIKEN. I believe it is.

Mr. JENNER. At least, a little more than \$7 billion?

Mr. AIKEN. I am not a member of the committee which handles that phase of the proposed legislation, but I think it is an enormous figure. If we stockpile more than we need, it is bound to have an effect on the prices of those commodities produced in this country.

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

Mr. AIKEN. I yield to the Senator from Utah.

Mr. WATKINS. Is it not a fact that we had a stockpile program for lead and zinc a short time ago, operated through the Department of the Interior, which program has been filled? The requirements of that stockpile have been filled, and it has ceased to operate. We have that stockpile, and we also have the stockpile which has been filled through the barter of agricultural commodities in years gone by. At the present time, therefore, we have two stockpiles which have been filled.

Mr. AIKEN. I believe the Senator is correct.

The weakness of the barter provisions in the pending bill is that under the proposed changes, we do not have to barter for strategic materials. We can barter for any materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges.

Mr. JENNER. For the benefit of the Senate, will the Senator from Vermont enumerate some of the items which might be brought in under the barter provisions?

Mr. AIKEN. I plan to do that very shortly.

Mr. President, since many Members of the Senate are present, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. AIKEN. I wish to say something about the argument which has been made regarding the exchange of farm commodities for strategic metals or other materials, to the effect that we will save large sums on storage. Unless the Office of Defense Mobilization or the agency which operates the stockpile is willing to take the materials for which we have bartered, the Commodity Credit Corporation will continue to have to pay storage on them until they are disposed of. It is conceivable that the Commodity Credit Corporation might be obligated to pay storage on the materials for the next 40 years. It is not likely that the Commodity Credit Corporation would have to pay storage on wheat or corn for more than 4 or 5 years, because those commodities would not keep much longer than that.

I also desire to point out, Mr. President, that the commodities which will be bartered for up to the amount of \$500 million a year could come into this country duty free. It seems to me that would affect revenues. So far as I know, the Committee on Finance of the Senate and the Ways and Means Committee of the House have not considered the matter to any degree. I believe the proposal should be out of order on that ground alone.

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

Mr. AIKEN. I yield.

Mr. ALLOTT. Under the previous law did these materials come in duty free?

Mr. AIKEN. I believe they did.

Mr. JENNER. They did, but they were limited to strategic materials.

Mr. AIKEN. But they were limited to strategic materials.

I believe other agencies of Government had to take custody of those materials when they came in, so that the Commodity Credit Corporation would not be obligated for storage for so long a time as it would under the pending proposal.

Mr. MARTIN of Iowa. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Iowa who, I believe, became the father of the stockpile as a Member of the House of Representatives.

Mr. MARTIN of Iowa. The original creation of the supplemental stockpile came about in the Agricultural Trade Development and Assistance Act of 1954. It was my privilege to offer the amendment on the floor of the House of Representatives which created the supplemental stockpile under title I, "Sales For Foreign Currencies." We provided that the strategic materials—and that was all we had in mind at the time—were to be channeled into the supplemental stockpile and were to be frozen there as an insurance certificate for national defense use. They were strictly restricted to that purpose and were not to be taken out of the supplemental stockpile except by act of Congress.

The amendment which I offered in 1954 was very strictly limited to that extent. It provided that the materials could not be pried out by any other method than by an act of Congress.

We thought that was sufficient protection to the domestic mining industry, to avoid a clash between the mining industry and the agricultural interests in marketing our surplus agricultural. That was particularly guarded against in the 1954 act.

Certain provisions in the pending bill—and that is why I join with the Senator from Vermont in the amendment—are very shocking to me. They do not point in the direction of national defense at all. They get away from the critical and strategic materials field. If those provisions are to go into the law, I wish to offer an amendment to protect the mining industry of our own country against the possible prying out from the stockpile of strategic and critical materials, without the same safeguard which was provided in the 1954 act.

Mr. AIKEN. Mr. President, the Senator from Indiana asked me if I could give him a list of the materials for which CCC commodities could be bartered under the pending bill. I cannot do that. It would require a great deal of research work.

However, I should say that any material of which the United States imports substantial quantities for our domestic use would be included in this category. It would certainly include items such as wool, petroleum, metals of various kinds, copra, tung oil, probably extra-long-staple cotton, pulp, and paper, of which we import a great deal. I am not sure, but the category probably would include cement. It would include rubber, coffee, and a host of other commodities.

The Department of Agriculture is vigorously opposing this wide-open barter program. It points out that since the barter transactions would, for the most part, merely replace dollar sales, the Commodity Credit Corporation inventories of agricultural commodities would not be appreciably reduced; and there would be no saving on storage costs or deterioration losses.

As there would be no appreciable reduction in Commodity Credit Corporation agricultural inventories, there could be no benefit to farmers under any agricultural program likely to be in effect.

The legislation would, however, be of great benefit to the international diamond cartel, and to other mining interests all over the world, except in the United States. The only group in the United States which would receive substantial benefits from the proposed legislation would be those few corporations which customarily engage in importation and exportation of materials and commodities. International traders would gain what our domestic taxpayers and domestic mining interests and other domestic producers might lose.

If we have \$500 million a year to spend, we should find some place for it which will benefit American labor and American farmers, and not let it be injurious.

As I have said, the State Department strongly opposes these barter provisions. The Department of Commerce advises me that it is strongly opposed to them. If the amendment which I have proposed is approved, the barter provisions of the law will remain as they are now.

I believe the Department is negotiating, to the extent of about \$50 million, for the barter of manganese and other commodities on the list which we still need.

Mr. COTTON and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from New Hampshire, and then I shall be glad to yield to the Senator from Florida. I am about through. I shall try to be brief, as I heard some very good arguments for the amendment this afternoon on the floor of the Senate. I am sure other Senators will desire to take some time to discuss it.

I now yield to the Senator from New Hampshire.

Mr. COTTON. My question will be very brief. If, under this barter provision, commodities can be imported on the basis of the fact that they are being imported into this country at the present time, then even though the reason we are importing them is that some particular industry in this country is not producing because it cannot compete, such commodities could still be brought in, could they not?

Mr. AIKEN. I think that would be perfectly true. I have in mind the veneer industry, which claims to be in trouble now because of the large imports coming into this country.

Mr. COTTON. It might be true that because we are now importing finished

textiles, they could continue to be brought in under this provision.

Mr. AIKEN. That is true. The reason we are not producing enough to meet our needs in some instances is that we are not even now meeting foreign competition.

Mr. COTTON. I wanted to make that point clear, because it is a dangerous provision in my opinion. I hope the Senator's amendment will prevail.

Mr. AIKEN. I now yield to the Senator from Florida.

Mr. HOLLAND. I note with concern not only the matters which the distinguished Senator from Vermont has mentioned, but also the wording found in lines 9, 10, 11, 12, and 13 of page 4 of the bill, which I read into the Record, as follows: "and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements."

It seems to me that means that if the Secretary of Agriculture chose to exchange a surplus agricultural commodity for tung oil, let us say, and if the Navy, the largest user of tung oil, wanted tung oil, it would purchase its needs of tung oil which was imported duty free, from the Commodity Credit Corporation, and it would be required to do so under the wording I have just quoted, because the words used are "shall purchase," instead of showing consideration to domestic producers. Is there any justification for that conclusion?

Mr. AIKEN. It is my interpretation that the other agencies of Government might be required to purchase such materials from the Commodity Credit Corporation rather than from their normal sources of supply in this country. In the case of tung oil, the Senator from Florida is well aware of what those sources of supply are.

Mr. HOLLAND. It seems to me that, while under the earlier law as to strategic materials, such a provision would not have been dangerous, because we are piling up strategic materials for the defense of the country, under the wording of the pending bill whereby the Secretary of Agriculture is encouraged—and perhaps mandated—to exchange surplus agricultural commodities for any materials of which we do not produce enough to supply our own needs, other agencies needing such materials would be required to buy them from the Department of Agriculture, even though they were brought in duty free, and even though they came from offshore.

It seems to me that we are striking a serious blow, in some instances, at the agricultural interests of this country, and at many other industries, including the mineral producing and petroleum industries, or we might do so under the provisions of the bill. I wonder if the distinguished Senator agrees with that conclusion?

Mr. AIKEN. The Senator from Vermont is very much in favor of bartering our surplus commodities for other commodities when such barter is in addition to business which would otherwise be done. I feel that the Senator from

Florida has pointed out some very real pitfalls. I think there are others which probably none of us have observed as yet. It would be much safer to remain under the present law than to embark on some new venture which, to all appearances, might lead us into some very devious ways, and probably upset the normal channels of trade, even in places where we do not as yet suspect it would.

Mr. HOLLAND. I appreciate that expression.

Mr. HUMPHREY and Mr. JENNER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I have listened with considerable interest to what I am sure are very legitimate concerns of my colleagues about the language of this provision. Perhaps some improvements could be made, but I should like to say most respectfully that the word "materials" to which the Senators seem to be taking such exception, was used in the Agricultural Act of 1956, which was signed by the President. Section 206 (a) of that act provides:

Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the strategic and critical material stockpiling act * * * shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Therefore the word "materials" has been a part of the law, and the supplemental stockpile has been inclusive of that word. Therefore all the fears that have been conjured up in an effort to distort the meaning of the amendment should have been brought up for the past 2 years.

Mr. JOHNSON of Texas. Mr. President, may I have the attention of the Senator from Louisiana and the attention of the Senator from Vermont, as well as the attention of all other Senators interested in the subject under discussion?

We had planned to continue in session until about 6 o'clock this evening. I would hope there would be no rollcalls after that hour. I wonder if it is agreeable to the Senators on both sides of the aisle if we continue to discuss the pending bill as long as it is desired to discuss it, say until 6 or 6:30 or 7 o'clock this evening, but that no votes be taken, until tomorrow, so that Senators who have been standing by may know.

Mr. JENNER. Mr. President, may we have the yeas and nays ordered on the bill?

Mr. JOHNSON of Texas. The yeas and nays have been ordered on the amendment.

Mr. JENNER. On the amendment. I ask for the yeas and nays on the bill. This involves \$3½ billion. I believe we should have the yeas and nays ordered on the bill. I so request.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I should like to work out an arrangement which will be satisfactory to all parties involved. Is what I have suggested agreeable to the Senator from Vermont?

Mr. AIKEN. I do not know how much more speaking there is to be on the bill. I think it would be agreeable. It may be difficult to get a quorum after 6 o'clock this evening. I do not know how many Senators may wish to speak after that time. I should like to get a vote on the bill as early as possible tomorrow.

Mr. JOHNSON of Texas. I will cooperate with the Senator completely on getting a vote on the bill tomorrow. I do not believe we would be able to get it until a late hour this evening. Our schedule is such that we do not have to have a vote on it today. If it is agreeable to the Senator from Vermont and to the Senator from Louisiana, we will plan to start voting as early as possible tomorrow. Does the Senator from Vermont have any suggestion?

Mr. AIKEN. No. I do not know of any other speakers, but I cannot say positively, because there may be speakers on both sides of the question on both sides of the aisle.

Mr. JOHNSON of Texas. Then I shall announce for the information of the Senate, so far as it is possible to control the situation, there will be no rollcalls this evening.

Mr. JENNER. Mr. President, I should like—

Mr. HUMPHREY. Mr. President, I did not yield the floor.

Mr. JENNER. Did not the Senator from Vermont yield the floor?

Mr. HUMPHREY. I did not yield the floor, Mr. President. I yielded to the Senator from Texas for the purpose of making an announcement.

Mr. JENNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JENNER. Did not the Senator from Vermont have the floor?

Mr. HUMPHREY. I yielded to the Senator from Texas.

Mr. JOHNSON of Texas. The Senator from Minnesota was speaking when I interrupted him.

Mr. JENNER. I thought the Senator from Vermont had the floor.

Mr. AIKEN. I think I had it, but I do not know that I cared to hold it. If I had it, I yielded it.

Mr. HUMPHREY. I shall not take much time of the Senate. I merely wished to correct the Record—

Mr. JENNER. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I ask for the regular order, Mr. President. Who has the floor?

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

Mr. HUMPHREY. The Agricultural Act of 1956 refers to the transfer of bartered materials to the supplemental stockpile. It reads:

Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stockpiling Act

*** or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

Section 206 (b) reads:

Materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

The words "free of duty" have been on the books for 2 years. It is only free of duty from this point of view: It is a governmental agency which acquires the materials, and thereby it results in a saving to the governmental agency. It does not, however, mean that the governmental agency passes the duty on to the contractor. They reduce the price paid him by the amount of the duty.

I add that the fears which were alluded to a moment ago, relating to the directive in the law which require the other agencies of government to cooperate with the Commodity Credit Corporation in acquiring these materials for their use, is the very language in the present law under which we have been operating, and under which we have not been injuring the American economy in any way.

I would refer my friendly critics on the other side of the aisle to page 575 of the testimony shown in the volume entitled "Policies and Operations under Public Law 480," and the statement therein of the Hon. Hatfield Chilson, Under Secretary of the Interior, presented by Spencer S. Shannon, Director, Office of Minerals Mobilization, Department of the Interior. It states his view very clearly in this one sentence. "It is clear that this program can be of great assistance to these industries." That refers to the minerals industries and the mining industries because taking minerals for the supplemental stockpile provides an opportunity for mining and mineral activities to receive prices which are profitable, and because work markets have been stabilized and which should not be turned down.

TRADING SURPLUS GRAIN FOR MINERALS MEANS REMAKING INDUSTRIAL MAP OF UNITED STATES

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

Mr. HUMPHREY. I yield.

Mr. MALONE. I should like to point out to the distinguished Senator that his reasoning may not include the whole story. The ruling was clear during World War II—the early forties—that the Government does not pay the duty or tariff. It is a long-standing practice.

However, if the duty were paid it would just be out of one pocket and into the other—and would be less confusing than the present practice.

The mines have been shut down or much reduced in production by our trade practices; therefore, when the bill provides that the grain be traded for any material which is not produced in sufficient quantity for domestic use it means the mining industry can be down indefinitely through cheap imports.

The zinc, lead, tungsten, mercury, and many other mines are down—copper is much reduced in production—all due to

cheap labor-produced foreign imports. So under this act as now written, they could be kept closed through trading surplus grain for such products. Under that policy the mines would never open again.

It would remake the industrial map of this Nation.

Mr. HUMPHREY. I do not want to argue the basic philosophy involved with the Senator from Nevada, because he has a very strong point of view and is a man of very deep convictions on this subject. He has done great work in behalf of the productivity of our mines and their solvency as a part of the economy of our country. I am only saying to the Senator regarding the argument that has been made before, that we are not changing the law—

Mr. MALONE. The Senator is not changing the law.

Mr. HUMPHREY. Whether the law is good or bad, the duty-free provision has been in the law right along. We are not talking about disposing of these goods in the normal channels of trade in the American market.

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

Mr. HUMPHREY. I yield.

Mr. MALONE. The Government has imported goods free of duty since early in World War II.

Mr. HUMPHREY. I should like to say to the Senator that as the Senator knows, I have been very sympathetic in terms of his efforts to give some legitimate protection to our mines and mineral interests of our country.

Mr. MALONE. I appreciate it.

Mr. HUMPHREY. I commend him for all he has done. I remember that hearings were held when very few persons paid much attention to them.

Mr. MALONE. The reports on the Western Hemisphere are still available and show conclusively that we do not need to secure any of such material from across a major ocean. I appreciate the assistance of the Senator.

To clarify our discussion on duty-free products imported by the Government, it was ruled during World War I that whenever material was brought in by the Government for Government use, the duty need not be paid. That was argued at some length at the time. It would be much more simple and just one pocket into another if the Government paid the duty. But we never got that point across.

So far as the duty or tariff is concerned, there is no change here. The danger, however, is that the products will be brought in through such trades, and productions of such materials in the United States be further reduced.

The whole foreign trade policy is pointed to reduce domestic production through the President's authority under the 1934 Trade Agreement Act—to trade any industry to further his foreign policy.

The duty or tariff as rearranged under that act—so-called Reciprocal Trade Act—bears no relation to the difference in cost of production here and abroad.

That is the chief danger of the bill.

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

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Everyone recognizes the good and patriotic motives of the Senator from Minnesota. I do not think anyone is questioning them. Certainly I am not, but I call attention to the fact that the statement he just made was too broad.

If the Senator will look at page 20 of the committee report, he will find that the present provision of existing law is not nearly so broad as the one he is proposing. I quote the existing law:

Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

The wording of the present act is broadened in that instead of "strategic materials" the wording proposed is "materials."

Mr. HUMPHREY. It says "materials."

Mr. HOLLAND. The Senator from Minnesota and the committee have inserted in the bill "materials" for "strategic materials" in every place, so the bill before the Senate reads:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

Mr. HUMPHREY. That is correct. If the Senator from Florida will permit me to make this addition, when one takes section 206 (a) of the Agricultural Act of 1956, which applies to Public Law 480, he will see that in 1956 the act was amended to include strategic and other materials.

Mr. HOLLAND. I understand; but the provision for the purchase of the materials by other agencies of the Government is confined entirely, under the last enactment, the law now existing, to strategic materials. Other materials were not included. It is that to which I am inviting the Senator's attention, in the wording I have just read into the RECORD.

If the Senator from Minnesota will read from line 4 to line 12, inclusive, in the top paragraph on page 20 of the report, which is the compilation of the old wording and the new wording of section 303, he will see that the point I have made is correct.

In other words, the change now proposed would not only permit the purchase of materials generally, whenever we do not produce in this country all of such material we need, but would allow them all to be sold duty-free to the other agencies of the Government, and would make it the duty of the other agencies of the Government to purchase them from the Department of Agriculture, so far as the volume accumulated would permit.

It seems to me that that is a completely different provision from that which is in the present law, which confines the purchases entirely to strategic materials.

Mr. HUMPHREY. I have great respect for the Senator's viewpoint. But it is my recollection that when we examine the act of 1956, which was amended to include strategic and other materials, the reference is to strategic materials that shall be acquired under the National Stockpile Act. All these materials shall be available for the supplemental stockpile, provided under section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954.

I think the Senator will find that the words "other materials" are broadening in terms of the ability of the Secretary of Agriculture to barter. He could barter for more than simply strategic materials. He could also barter for other materials, and those materials would be available for the departments that were working with the Secretary in the acquisition.

Mr. HOLLAND. If the Senator will read subsection (b) of section 206, as printed on page 20 of the report, he will find that the duty-free provision under the existing law applies only to strategic materials, whereas the Senator proposes to apply that provision to all materials.

Mr. HUMPHREY. That is correct; not to all materials, but to all materials bartered for and which go into the supplemental stockpile.

Mr. HOLLAND. All materials bartered for.

Mr. HUMPHREY. They are the same materials as were made available under section 206, including strategic and other materials.

Mr. HOLLAND. But under existing law, the duty provision does not apply to materials other than strategic materials.

Mr. HUMPHREY. I would accept an amendment on that point.

Mr. HOLLAND. That provision, I think, is good, whereas the bill as reported very clearly applies the duty-free provision to all materials, whether strategic or not.

Mr. HUMPHREY. I do not think the Senator can draw that conclusion at all.

Mr. HOLLAND. Let me quote for the RECORD the provisions of the existing law. Section 206 (b) reads as follows:

Mr. HUMPHREY. We do not amend section 206 (a) of the law.

Mr. HOLLAND. Section 206 (a) of the law is amended by the wording of the committee bill. Section 206 (b) is also amended. Section 206 (b) in the present law reads as follows:

(b) Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

The pending measure provides an amendment to section 206 (b), so as to make it read—

Mr. HUMPHREY. The Senator from Florida is correct.

Mr. HOLLAND. I thank the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator for his correction.

Mr. HOLLAND. The distinguished Senator from Minnesota is not to be blamed, and I am not blaming him; I

am calling attention to the fact that I think the committee bill, as reported, goes much further than the Senator from Minnesota would want to go—certainly much further than the Senator from Florida would want to go. I am trying to be constructive in my suggestion.

Mr. HUMPHREY. I felt amendments were needed to this section of the bill. I do not say they are not. But I do not agree with the position taken by the Department, in which they were, on the one hand, running footloose, and fancy free, but now are embedded in concrete. We are attempting to jar the Department loose from a fixed position of complete inertia. The Department is refusing to comply with the provisions of this section of the law. They are refusing to barter. They are refusing to barter at the expense of the people of the United States; at the expense of the taxpayers; at the expense of agriculture.

The Department of Agriculture is simply refusing to move, and their reason for refusing to move is that they are afraid of what happened prior to May 28. Mr. Berger knows I am telling the truth.

Mr. HOLLAND. I am not entering into any disputes or contentions between the Senator from Minnesota and Mr. Berger, whom I do not happen to know.

Mr. HUMPHREY. He is the head of the Commodity Credit Corporation.

Mr. HOLLAND. I am simply calling the Senator's attention to a fact which he has now conceded; namely, that the proposed law as drafted goes very much further than we could afford to go. I hope a further amendment will be suggested to clarify this point. I shall not support this section of the bill as now drawn. I do not believe the Senator from Minnesota would, either.

Mr. HUMPHREY. I think the Senator's point is worthy of our consideration and of adjustment, if such can be done tomorrow.

But, by the same token, the defense which is offered for the status quo is indefensible. The defense which is being made of the existing provisions for barter is a defense of surpluses. The very same Department of Agriculture that complains about its surpluses and refuses to liquidate them complains about the cost of storing surpluses and refuses to sell them. The very same Department of Agriculture that misused the barter program prior to May 28 now refuses to use the program at all. That is the record. Those who will study the hearings will find that the Department of Agriculture cannot justify its unwillingness to move.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield further?

Mr. JENNER. Mr. President—
The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. HOLLAND. I ask the distinguished Senator from Indiana to yield, in order that I may make a further comment, if the Senator from Indiana will be so kind.

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Mr. JENNER. Mr. President, now that I have the floor, I am glad to yield.

Mr. HOLLAND. Mr. President, the Senator from Florida favors the continuance of barter, and has tried his best to help with the wording of the bill, so as to make it sound. But the Senator from Florida does not favor the continuance of barter in such a way as to make more difficulties for United States agricultural commodities which are not now in surplus supply, by the exchange of agricultural commodities, nor is he in favor of creating greater difficulties for other industries in the United States generally—not industries producing agricultural commodities—by the unwise use of barter. It is for that reason that we have engaged in this colloquy.

Mr. HUMPHREY. Mr. President, I say most respectfully to the Senator from Florida that he has been very helpful. It seems to me that the majority of the committee could well accept the suggestions the Senator has advanced, in terms of including the words "strategic and other materials," rather than only the words "other materials," in both subsection (a) of section 206 and subsection (b) of section 206. I would be more than happy to join the Senator in such a proposal.

MORE BILLIONS FOR FOREIGN PROGRAMS

Mr. JENNER. Mr. President, the objection I raised when Senate bill 3039, for the disposal abroad of agricultural surpluses, was reached during the call of the calendar, was made because the bill would add \$2 billion to the liabilities against the credit of our Government. Now Senate bill 3039 has been replaced by Senate bill 3420, which is even more far-reaching.

The authority of the Commodity Credit Corporation to engage in international transactions in farm products will be increased, by the new proposal, to \$3.5 billions, or nearly double the amount under the earlier bill.

No new hearings have been printed. The new bill would permit counterpart funds, which foreign countries pay for these farm products—and we have been referring to only a few specified items—to be used for new kinds of international activity—for more State-sponsored travel by agricultural, labor, press, and civic leaders, and also for American Government support of foreign schools, colleges, and universities.

I believe the Senate will wish to discuss thoroughly some important questions which are raised by this bill.

First. For instance, do we need to increase by \$3.5 billions the funds available to the Commodity Credit Corporation for giving away to foreign countries our agricultural surpluses?

Second. Should we add more billions of dollars to American Government transactions in the currency of friendly sovereign nations?

Third. Do we need to increase both spending and currency operations for a full year after June 1958, including the first year of a not-yet elected Congress?

Any bill which increases the charges against the credit of the United States—and that is what this bill would do—by

\$3.5 billions at this time should be subject to long and searching study by the Congress.

Mr. President, sometimes I am inclined to believe that the Congress has gone crazy on this spending business.

This is a companion bill to S. 3149, which would increase the borrowing authority of the Export-Import Bank by \$2 billion, at a time when that bank is reinvesting counterpart funds from Commodity Credit Corporation transactions in development aid for private enterprise in foreign countries.

Mr. President, Senate bill 3149 is ready and I understand it will be brought up in the Senate immediately after the pending bill is disposed of.

Senate bill 3039 provided for an increase of \$500 million in funds for the current fiscal year, and an increase of \$1.5 billion in the funds for the fiscal year 1959.

The new bill would add an authorization for another \$1.5 billion for the fiscal year 1960.

No one knows what may be our needs and resources in 1960.

Secretary Benson apparently prefers that funds be extended for 1 year only.

He said—as appears on page 11 of the Senate committee report on Senate bill 3039—that the surplus disposal program was meant to be temporary.

Of course, Mr. President, all the foreign programs, and all the foreign-aid programs commenced as "temporary." I remember when, several years ago, the Marshall plan was begun. It was said to be a plan for temporary aid, to help war-ravaged Europe to get off its knees and become able to walk again. But once these things are begun, they never end.

In this instance we find that a bill which was on the calendar was returned to the Committee on Agriculture and Forestry; and, without having printed hearings, a provision for the spending of another \$1.5 billion was added.

We find that the Secretary of Agriculture also stated:

This program must not be allowed to become a device for postponing needed price support and production adjustments. In some instances, the movement of basic commodities, under Public Law 480, results, under the current escalator provisions of legislation, in higher price supports than would otherwise prevail.

For example, on February 7, we announced the price support for cotton at 81 percent of parity. There is no question that this price support is substantially higher than it would have been in the absence of exports under Public Law 480.

This comes at a time when the cotton industry is having difficulties competitively with synthetics and foreign mills.

It is not desirable to keep farmers continually under the shadow of price-depressing surpluses.

The Secretary endorsed an increase in Commodity Credit Corporation funds, for disposal of farm products abroad, but only as part of something like the farm, food, and fiber bill—Senate bill 3049.

He wished to put the emergency foreign marketing plan into a framework which would, as he said, "bring the supply of farm products into better balance with market demand."

Secretary Benson merely restated this preference, when asked for his opinion on Senate bill 3420.

If the Secretary of Agriculture is not noticeably eager to have Congress grant this extension of Public Law 480 for so long a period, who is eager to have it?

I shall limit myself to mentioning a few facts.

Of the nearly \$4 billion expended by the Commodity Credit Corporation on disposal of farm products abroad, nearly \$1 billion was spent for wheat and flour.

In the 7 months of the fiscal year 1958 for which we have reports by countries, over one-third of this wheat and flour went to Poland and Yugoslavia.

Yet, Mr. President, the United States is supposed to be opposed to communism. The United States has been spending billions and billions of dollars to fight communism. Yet in 7 months of the fiscal year 1958, one-third of the wheat and flour under the program we are debating at this time went to Poland and Yugoslavia.

The Commodity Credit Corporation disposed of cotton worth almost half a billion dollars. Half a billion dollars, Mr. President. In 7 months of the fiscal year 1958, nearly three-fourths of the cotton went to Poland and Yugoslavia. Yet the United States is supposed to be opposed to communism.

Why is it that we never hear anything of this sort discussed on the floor of the Senate? Whom are we for, Mr. President? Are we opposed to communism?

We spend \$40 billion for defense, and then turn around and spend billions of dollars to give our enemies aid and comfort in the form of food and fiber?

The crop surpluses which were moved by this program did not bring any return to American producers, either the farmers or productive workers in industry and trade.

CCC disposal abroad of farm surpluses made up nearly 20 percent of our agricultural exports last year; but, in terms of the American people's income, this was gifts to other countries, not trade repaid in goods.

Payments are made in foreign currencies. We are told the foreign countries cannot pay in dollars.

But that means either that the foreign countries are subsidizing wages above what they can afford, or we are pricing ourselves out of the market by a dozen forms of governmental interference in the pricing process.

Now, obviously the simple thing to do with foreign currencies is for the Treasury to sell them promptly, and get the United States Government out of this dubious business.

Instead, we are reallocating these funds to 35 countries, in what is virtually supplemental foreign aid.

None of the money comes back to offset current spending, or reduce our debt.

I do not need to go into that subject tonight, because we all know where our spending is going and where our debt is going.

Foreign aid from this fund is not subject to the limits so carefully worked out by Congress in foreign aid legislation.

Agreements have been signed, so far, for the reallocation of \$2.5 billions of the total paid for our farm products.

The Senate report on S. 3039 states:

About 60 percent of the total will be used for economic development purposes in importing countries, about 10 percent will be used to support the defense forces of our allies, and the remaining 30 percent is planned for meeting United States expenses overseas, and expanding certain United States programs.

The quotation is from the report.

Let us look again.

Economic development is a vague, interesting, mysterious program, which keeps growing all the time.

As emergency economic aid in Europe is virtually finished, and hard military aid to anti-Communist nations is shrinking, we could be nearing the end of much of this overseas spending.

But instead of cutting down our aid, so-called economic development is taking up the slack, and the need for that will never come to an end until the billion people in undeveloped nations have everything they want.

Defense support is another name for economic aid. The House Committee on Legislative Oversight has recently reported what the General Accounting Office found when it looked into defense support. That is a pretty word.

What is meant by payment for United States expenses overseas?

How many of these vast foreign building programs are really needed for American purposes, and how many are really construction funds for a permanent foreign aid agency?

How much of the incessant travel by our officials serves any national purpose?

The use of counterpart for expansion in "certain United States programs" is also interesting. This money is to be spent to pay for two things. One is to expand "the educational exchange of agricultural leaders, labor leaders, journalists, and civic leaders."

It is therefore a supplemental appropriation for the exchange of persons programs of the State Department.

Should Congress permit CCC or any executive agency to enlarge, by indirect allotments, programs now carried on by the State Department or USIS, without direct congressional appropriations?

The other educational purpose is giving counterpart funds for "schools, colleges, and universities founded or sponsored by citizens of the United States, and in the supporting of workshops in American studies or American educational techniques."

Is it wise for us to operate within the sovereign territory of friendly foreign countries by having the United States Government subsidize schools, colleges, and universities, in their territories?

Are plans already worked out for sponsorship of such colleges and workshops by some of the ideological groups which work so hard to influence public opinion here in favor of their aims?

I am very much in favor of gifts by the American people for agencies like the Near East Relief, which gave magnificent assistance in education and training after World War I, or the various educational and training programs

of Americans in China, like Yale-in-China. But I do not know any good reason why the United States Government should put American Government funds into an educational enterprise within the confines of a friendly foreign nation.

I also do not want the American Government to help pick the true exponents of American studies, or American educational techniques, or help carry on workshops like some of the disguised propaganda agencies we have seen called by that name in the United States.

I question also why the Congress should enlarge the term "strategic materials" to include "materials of which the United States does not produce its requirements."

Is that a legal term, Mr. President?

I see the Senator from Minnesota discussing this matter with the Senator from Florida. Maybe they can work out some other kind of terminology by tomorrow.

What is meant by the term "materials of which the United States does not produce its requirements," and what is meant by "strategic materials"?

Is it one of the soft cobwebby expressions behind which Government agencies with unlimited funds can do many things about which Congress cannot even guess?

Why the provision that these unknown commodities are to be admitted duty-free?

Is all this tied to the rapidly developing mesh of governmental and international controls over our foreign trade, like GATT?

We know how often the wishes of foreign governments come first, in our participation in international economical controls.

I hope our cotton producers will listen to this:

The Senate report on S. 3039 tells how Spain preferred our long staple cotton over that from the Sudan, even when it was more expensive, but the State Department barred agreements to give away our long staple cotton. "For fear of getting in bad with Egyptians and Sudanese."

What kind of help do we give American agriculture if our farmers must depend on the friendly nod of Nasser to sell their cotton?

What is wrong with the historic American belief that trade and farming should be carried on entirely by private business, so that the Government is not entangled in business decisions, and agriculture and trade do not become tails to the State Department kite?

Our people came in sailboats over the trackless ocean to get away from busybody governments which tried to guide their every move.

Why is something right now, which was so very wrong then?

Let me mention some other items which aroused my curiosity.

These counterpart funds are deposited in overseas banks.

As long as they lie there, are they not in fact American contributions to the bank reserves of these friendly countries? Does this include Poland and Yugoslavia?

Could we not have used those funds last year to add to our bank deposits at home when we were running so close to the edge?

Part of the funds is used for "the translation, publication, and distribution of books and periodicals."

What books? What periodicals? Who chooses the good books and rejects the bad?

Who decides what would be dangerous thoughts in any book distributed abroad?

Do we weed out pro-Communist books, or do we weed out books which stress liberty, private enterprise, decentralization of power and government under law?

Who picks the fortunate writers, and why?

Mr. President, if this is not censorship by smiles instead of frowns, what is it?

I can understand why the Soviet Government wants to pick and choose the books she sends to foreign libraries. But why should we imitate her?

According to the Senate report on S. 3420, page 6, another portion of these counterpart funds is spent for "procurement of military services." Does that mean we are paying the salaries of foreign armies?

Another curious item is the reference to "cash transfers to the armed services or to schools to supplement the diets of the services and of schoolchildren." Are we providing insufficient food allowances for our fighting men, and supplementing them by this circuitous route? Or are we providing additional rations for the armies of foreign countries?

Does this, too, include Poland and Yugoslavia?

Mr. President, I think we should take a second look at the types of programs which were authorized when we passed Public Law 480. Many things have changed even in this country.

Mr. President, there are 8 types of programs listed in the law. One refers to agriculture, and another refers to private trade. That is what is involved in Public Law 480. What are the others? The others are:

(c) To procure military equipment * * * among nations.

(d) For financing the purchase of goods and services for other friendly countries.

(e) For promoting balanced economic development * * * among nations.

(f) To pay for United States obligations abroad.

(g) For loans * * * made through established banking facilities of the friendly nation from which the foreign currency was obtained, or in any other manner which the President may deem appropriate. * * *

(h) For the financing of international educational exchange activities.

Is this farm aid or international foreign policy?

Section 2, describing the policy of the act, says in conclusion:

It is further the policy to use foreign currencies which accrue to the United States under this act to * * * encourage economic development, * * * to promote collective strength, and to foster in other ways, the foreign policy of the United States.

We have spent nearly \$4 billion on this hybrid foreign-aid program.

Now we are asked to authorize higher levels of spending for the rest of this year and for fiscal 1959, and fiscal 1960, which will add \$3.5 billion to our Treasury obligations. There is not a man living today who knows what shape our Treasury is going to be in 6 months from now, let alone in 1960.

With the \$2 billion to be added to the borrowing power of the Export-Import Bank, this is a total of \$5.5 billions for foreign economic operations that the Senate is to consider this week—today and tomorrow.

We are adding more new obligations than Congress recently added to the borrowing power of the Treasury.

Is this responsible or irresponsible spending?

Mr. President, there will be a year-and-a-half vote on the bill. I hope someone can answer some of the doubts I have raised in these remarks before I vote.

ALLEGED LACK OF COOPERATION BY DEMOCRATS IN CONGRESS ON LONGSTANDING PROPOSALS BY THE PRESIDENT

Mr. PROXMIRE. Mr. President, in this morning's Washington Post there was published an article which reported on a speech which was delivered recently—I presume yesterday—by the chairman of the Republican Party, Mr. Meade Alcorn.

Mr. Alcorn decided to attack the Democratic Party in an unusual way. He accused the Democrats in Congress of dragging their feet on longstanding proposals by President Eisenhower.

I wish to take this opportunity, because I am in a peculiar position to refute this charge by Mr. Alcorn, to make a correction, and to set Mr. Alcorn straight on this subject.

Mr. Alcorn is quoted as saying that some of the pending proposals are: a request for authority for \$3 billion a year for additional insurance of FHA mortgages; a \$2 billion program for modernization of post office buildings and equipment; and a \$2 billion increase in the lending authority of the Export-Import Bank.

I am a member of the Committee on Banking and Currency. I am also a member of the Committee on Post Office and Civil Service. It so happens that those committees deal directly with all three of the bills mentioned by Mr. Alcorn.

Let us consider first the Post Office charge. Let us get the facts as to whether or not the Congress has been dragging its feet.

The Postmaster General presented this program on Wednesday, February 12, for the first time. On February 18, a Tuesday, the Postmaster General appeared before the committee in a wind-up session. On February 19, the subcommittee met and reported to the full committee which met on the 20th and reported the recommendation to the Senate. The Senate started debating the proposal on the following Tuesday and approved it on Friday—just exactly

9 days after the administration finished presenting it to the Congress.

In fairness to the House of Representatives which has not yet acted on the proposal—I will say the administration has not yet appeared before that august body to explain its request.

That was the subject which was referred to the Committee on Post Office and Civil Service.

The two administration bills which were referred to the Committee on Banking and Currency were handled as follows:

The administration request for additional FHA insurance authorization of \$3 billion per year for the next 5 fiscal years is a routine, business-as-usual recommendation. There is nothing startling or unusual about this request. The FHA insures private mortgage loans and it is a profitable activity for the Federal Government. The Congress raises this authorization, as required from time to time, with no fuss or fanfare, and with no partisan disagreement. It is possible that the delegates to the Republican women's conference were taken in by this phony claim of vigorous action, but I am sure that the minority leaders of the Senate and the House must have chuckled silently when the President urged them to act promptly on this request. What makes the situation more laughable is that the proposal was not sent to the Congress until March 4, and probably would not be here yet if the Democratic leadership of the Senate had not acted so swiftly on truly emergency legislation in the housing field—in spite of determined opposition from the administration.

I may say in that connection that the emergency housing bill was acted on by the committee, was reported to the Senate, and was passed unanimously by the Senate, an action which has been commented on very favorably by the press. If not unprecedented, it is a splendid example of prompt action to put people to work.

The third proposal discussed by Mr. Alcorn shows a tragic ignorance of national events. For Mr. Alcorn's information, the proposed increase in lending authority for the Export-Import Bank was handled about as swiftly in the Senate as anyone familiar with the legislative process could possibly hope for. Hearings were held and the bill was reported to the Senate within 8 days after it was introduced. The bill passed the Senate on March 3, and would be out of our hands, except for the fact that a member of the President's party has moved to reconsider the action of the Senate in passing the bill. This motion for reconsideration is scheduled for consideration in the Senate this week, and Democratic members would appreciate the help of the President and Mr. Alcorn in defeating or tabling this motion.

I have spoken at some length on this subject because I am disturbed and disappointed at the lethargy and deception so apparent in the administration's attitude toward the present recession. It is understandable that a Republican

President would assure us that prosperity is just around the corner; but it is distressing that such an attitude should be concealed by spurious claims of concern and action. I urge the administration to admit that the economy is weakening and to cooperate with the Congress in serious measures to stimulate quick recovery.

As one of the very newest Members of this body, I feel a great deal of pride in the promptness with which the Senate has acted during this session. I think it is remarkable. I think it is a fine thing that the press has compared the action of the House and Senate to date in this session with the action of the Congress in the stirring first 100 days under Franklin D. Roosevelt.

I think it is most unfortunate that our good friends in the Republican Party have decided to criticize the Democratic Party for inaction at a time when, above all, the Democratic Party in the Senate and the House has shown the Nation a marvelous example of how to act promptly to put people to work, and to solve problems which need solution.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 18, 1958, he presented to the President of the United States the enrolled bill (S. 2042) to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50083, and for other purposes.

RECESS

Mr. PROXMIRE. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 19, 1958, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18 (legislative day, March 17), 1958.

COLLECTORS OF CUSTOMS

John G. Kissane, of Vermont, to be collector of customs for customs collection district No. 2, with headquarters at St. Albans, Vt.

Anne A. Mitchell, of Connecticut, to be collector of customs for customs collection district No. 6, with headquarters at Bridgeport, Conn.

Harold R. Becker, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y.

Josiah A. Maultsby, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N. C.

Jessie Dixon Saylor, of Georgia, to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga.

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