

Gore
Gruening
Hart
Hill
Humphrey
Jackson
Johnson, Tex.
Johnston, S.C.
Kefauver
Kerr

Long, Hawaii
Long, La.
McCarthy
McNamara
Magnuson
Mansfield
Monroney
Morse
Moss
Muskie

Neuberger
Pastore
Proxmire
Randolph
Sparkman
Symington
Williams, N.J.
Yarborough
Young, Ohio

NAYS—46

Allott
Bartlett
Beall
Bennett
Bible
Bridges
Bush
Butler
Byrd, Va.
Capehart
Carlson
Case, N.J.
Cotton
Curtis
Dworshak
Eastland

Ellender
Ervin
Fong
Hayden
Hickenlooper
Holland
Hruska
Javits
Jordan
Keating
Kuchel
Langer
Lausche
McClellan
Martin
Morton

Mundt
Prouty
Robertson
Russell
Saltonstall
Schoeppel
Scott
Smith
Stennis
Talmadge
Thurmond
Wiley
Williams, Del.
Young, N. Dak.

NOT VOTING—13

Case, S. Dak.
Chavez
Church
Dirksen
Goldwater

Green
Hartke
Hennings
Kennedy
McGee

Murray
O'Mahoney
Smathers

So Mr. HUMPHREY's amendment to the committee amendment was rejected.

Mr. ELLENDER. I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GOVERNMENT BOND PRICES

Mr. CAPEHART. Mr. President, on September 2, 1959 the Senator from Tennessee [Mr. GORE] raised the question in the Senate as to why marketable Treasury bonds issued in the period August 1957 to June 1958 could be offered at successively lower rates dropping from 4 percent in the fall of 1957 to 2½ percent in June 1958 in comparison with the higher rates prevailing now on both Treasury and high-grade corporate bonds.

The Senator from Tennessee obtained unanimous consent for me to place in the RECORD the answer to this question. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

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

It is only necessary to look behind the figures at the hard facts of the economic situation to find the explanation for the differences in interest rates in these two periods. What was not pointed out in making the comparison is that the period of declining interest rates in 1957-58 was also a period of rising unemployment, declining incomes, and falling output. Monetary policies during that period were properly directed toward easier credit as a means of helping us get out of the recession.

Today, in contrast, our economy has passed the recovery point and is moving rapidly into the boom phase. Employment is high, incomes are rising and—up to the time of the steel strike—output was expanding in almost every sector of the economy. Under these circumstances there has been a heavy demand for credit and interest rates have moved up in response to this demand.

The question is simply this: Do we want the low interest rates which accompany a

recessionary situation, or do we want a prosperous economy in which the higher level of interest rates reflects a strong demand for funds? As Secretary of the Treasury Anderson stated in his testimony before the House Ways and Means Committee on June 10, 1959: "Interest rates commonly decline during recessions, partly because of a slackening demand for funds on the part of individuals and businesses, partly because of a relative increase in availability of financial savings, and partly because of greater availability of bank credit in connection with a flexible shift of monetary policy toward credit ease."

No responsible government, the Secretary adds, would attempt to induce recession—with its accompanying loss of production and rise in unemployment—simply to produce lower rates of interest. "For a responsible government, the choice between high levels of business activity and employment as opposed to low interest rates is actually no choice at all. Stated differently, high interest rates are not an end in themselves; rather they are the usual accompaniment of the active credit demands that characterize expansion in production, employment, and income."

As was suggested in the debate in the Senate on September 2, there is one way of getting interest rates down in a boom period. This is to require the Federal Reserve to support Treasury bonds by standing ready to purchase any amount of them at a stated price—as was done during World War II and in the early part of the postwar period. The unfortunate experience with this technique up to 1951, when it was abandoned, should convince serious observers of the dangers involved.

During the period of market support, as a former Chairman of the Board of Governors of the Federal Reserve System has remarked, the System was transformed into an "engine of inflation." It could not fulfill the central banking function of attempting to promote sustainable economic growth, since market operations of the System could take place in only one direction: The creation of bank reserves through purchases of securities in whatever amounts market holders should desire.

To sum up: Interest rates are higher now than they were in 1957-58 because our economy has changed from recession to a rate of activity close to boom proportions. We could probably bring interest rates down somewhat by returning to a policy of Federal Reserve support for Treasury bonds. But this would open the floodgates to an increase in the money supply which would be entirely beyond the power of the Federal Reserve System to control. The result would almost certainly be a disastrous inflation leading to later recession, with the loss and damage which that entails to the entire economy.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 2033. A bill to amend the mining laws of the United States to provide for the inclusion of certain nonmineral lands in patents to placer claim (Rept. No. 904).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 8437. An act to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500 (Rept. No. 906).

By Mr. HUMPHREY, from the Committee on Foreign Relations, with amendments.

S. Res. 129. Resolution favoring continued efforts by all nations to strengthen cooperation in health and research activities (Rept. No. 905).

By Mr. CARROLL, from the Committee on the Judiciary, with amendments:

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency (Rept. No. 907).

By Mr. PASTORE, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1886. A bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain re-broadcasting activities (Rept. No. 908).

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958, RELATING TO CERTAIN ADJUSTMENTS IN HIGHWAY PROGRAM—REPORTS OF COMMITTEES—MINORITY AND INDIVIDUAL VIEWS

Mr. CHAVEZ. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 8678) to amend the Federal-Aid Highways Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, and I submit a report (No. 902) thereon.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider House bill 8678.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I move that the bill be referred to the Committee on Finance.

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

Subsequently, Mr. BYRD of Virginia, from the Committee on Finance, reported the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, with amendments, and submitted a report (No. 903) thereon.

Mr. GORE subsequently said: Mr. President, on behalf of myself, the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. McCARTHY], as members of the Committee on Finance, I submit minority views to the report on House bill 8678, the Federal Highway Act, together with the individual views of the senior Senator from Illinois [Mr. DOUGLAS]. I ask unanimous consent that the minority and individual views be accepted and printed, as part of the report of the Committee on Finance.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NEUBERGER subsequently said: Mr. President, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Iowa [Mr. MARTIN], the Senator from Vermont [Mr. PROUTY], and the Senator from Pennsylvania [Mr. SCOTT], as members of the Committee

on Public Works, I submit minority views on House bill 8678, the Federal-aid highway bill, and I ask unanimous consent that they be printed with the majority report of the committee.

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

ADDITIONAL BILLS INTRODUCED

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

By Mr. BEALL:

S. 2647. A bill for the relief of Hans Goldstein; to the Committee on Finance.

By Mr. JAVITS:

S. 2648. A bill for the relief of Nathan Isenberg; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 2649. A bill to extend the provisions of the Federal Employees' Compensation Act to State and local law enforcement officers who are killed or injured while, or as a direct result of, enforcing any Federal law; to the Committee on the Labor and Public Welfare.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT ASSISTANCE ACT OF 1954—AMENDMENT

Mr. KENNEDY (for himself, Mr. HART, Mr. CLARK, Mr. YOUNG of Ohio, Mr. CARROLL, Mr. McNAMARA, Mr. RANDOLPH, Mr. MANSFIELD, Mr. MORSE, Mr. BYRD of West Virginia, Mr. MURRAY, Mr. MCCARTHY, Mr. YARBOROUGH, and Mr. McGEE) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1748) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was ordered to lie on the table and to be printed.

EXTENSION OF AUTHORITY OF SURGEON GENERAL RELATING TO AIR POLLUTION CONTROL—AMENDMENT

Mr. CHAVEZ submitted an amendment, intended to be proposed by him, to the bill (H.R. 7476) to extend for 2 additional years the authority of the Surgeon General of the Public Health Service with respect to air pollution control, which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—AMENDMENTS

Mr. DOUGLAS (for himself, Mr. CLARK, Mr. PROXMIER, and Mr. MCCARTHY) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8678) to amend the Federal-Aid Highway Acts of 1956 and 1958 to make certain adjustments in the Federal-aid highway program, and for other purposes, which was ordered to lie on the table and be printed.

Mr. LONG of Louisiana submitted an amendment, intended to be proposed by him, to House bill 8678, supra, which was ordered to lie on the table and to be printed.

PUBLIC LAND WITHDRAWALS ACT AMENDMENTS OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of August 24, 1959, the names of Senators ANDERSON, BIBLE, BYRD of West Virginia, CANNON, CARROLL, CHAVEZ, CLARK, DODD, DOUGLAS, ENGLE, FONG, HART, HARTKE, HOLLAND, HUMPHREY, JOHNSTON of South Carolina, KEFAUVER, KERR, LANGER, LAUSCHE, LONG of Hawaii, MAGNUSON, MANSFIELD, MCCARTHY, MORSE, MOSS, MURRAY, MUSKIE, RANDOLPH, SYMINGTON, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio were added as additional cosponsors of the bill (S. 2587) to require an act of Congress for public land withdrawals in excess of 5,000 acres in the aggregate for any project or facility of any department or agency of the Government, introduced by Mr. BARTLETT (for himself and Mr. GRUENING) on August 24, 1959.

AUTHORITY FOR SELECT COMMITTEE ON SMALL BUSINESS TO SUBMIT REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Shopping Centers—1959," and that the report be printed.

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

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Select Committee on Small Business be authorized, during the adjournment of the first session of the 86th Congress, to file with the Secretary of the Senate a report entitled "Dual Distribution in the Automotive Tire Industry—1959," and that the report be printed.

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

PRINTING AS A SENATE DOCUMENT SPECIAL STUDY ENTITLED "SOVIET ECONOMIC PENETRATION IN THE MIDDLE EAST"

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a special study entitled "Soviet Economic Penetration in the Middle East," prepared at my request by Dr. Halford L. Hoskins, of the Legislative Reference Service, be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

ADDITIONAL APPENDIX MATTERS

By Mr. SPARKMAN:

Address delivered by him on the occasion of the presentation of the Paul Bunyan award to himself and the Senator from In-

diana [Mr. CAPEHART], by the Lumbermen's Forest in Israel, in the State of Pennsylvania.

By Mr. KEATING:

Statement by him concerning the situation in Laos.

Statement by him with respect to report of U.S. Commission on Civil Rights.

By Mr. BYRD of West Virginia:

Article entitled "Areas of Chronic Depression—Mass Production of Poverty," published in the August 24, 1959, issue of the Oil, Chemical, and Atomic Union News.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 4, 1959, he presented to the President of the United States the following enrolled bills:

S. 6. An act to provide for the conveyance of certain real property of the United States to Sophronia Smiley Delaney and her sons.

S. 53. An act to amend the acts approved April 16 and June 27, 1906 (34 Stat. 116 and 519), so as to authorize the Secretary of the Interior to convey certain lands on the Huntley reclamation project, Yellowstone County, Mont., to school district No. 24, Huntley Project Schools, Yellowstone County, Mont.;

S. 685. An act to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia;

S. 1372. An act to extend the jurisdiction of the domestic relations branch in the municipal court for the District of Columbia to cover the adjudication of property rights in certain actions arising in the District of Columbia;

S. 2035. An act authorizing persons maintaining or defending actions in the District of Columbia on behalf of a minor to give releases of liability, and requiring persons receiving money or property in settlement of such actions or in satisfaction of a judgment in any such action to be appointed as guardian of the estate of such minor;

S. 2424. An act to amend the Communications Act of 1934 in order to provide that the equal-time provisions with respect to candidates for public office shall not apply to news and other similar programs; and

S. 2524. An act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto.

RECESS TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. I move that the Senate stand in recess until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 42 minutes p.m.) the Senate took a recess until tomorrow, Saturday, September 5, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 4 (legislative day of August 31), 1959:

U.S. JUDGES

John Lewis Smith, Jr., of the District of Columbia, to be chief judge of the Municipal Court for the District of Columbia for the