

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, March 8, 1955.

The Honorable RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: There are attached two copies of a draft of proposed legislation to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard, which the Department of Commerce recommends be enacted.

The Department of Commerce during the 83d Congress urged that the Congress amend the Flammable Fabrics Act in two respects, (1) modify the burning rate time for plain surface fabrics, so as to permit continued production and sale of lightweight cotton fabrics such as organdies and lawns, and (2) amend the definition of wearing apparel so as to exclude scarves made of plain surface fabrics. Congress modified the burning rate time as recommended but did not adopt the proposed exemption for plain surface scarves.

PURPOSE OF PROPOSED BILL

The attached draft of proposed legislation would exclude from the definition of wearing apparel in the Flammable Fabrics Act scarves made of plain surface fabrics.

In 1949 and 1950 there appeared on the market a number of items of wearing apparel, such as sweaters, cowboy suits, and masquerade costumes made of fabrics which exhibited a rapid and intense burning when accidentally ignited. A number of serious accidents resulted to persons wearing so-called "torch sweaters," and in other cases children were fatally burned when their cowboy suits and masquerade costumes were accidentally ignited. In order to correct this situation and to safeguard the public against future hazards resulting from flammable clothing, the representatives of the textile and clothing industries asked the Bureau of Standards of the Department of Commerce to develop a commercial standard of flammability for wearing apparel. This standard when developed was adopted and adhered to by virtually all responsible firms in these industries. The Flammable Fabrics Act passed in 1952 incorporated the commercial standards developed by the Bureau of Standards as the basic test of flammability under the act. Following passage of the act it came to the attention of the executive agencies of the Government concerned with the enforcement of the act that some traditional fabrics, such as silks and lightweight cottons, which had been in use for many years without any record of injury to wearers, would be excluded from the market under the standards established in the act, and as a result a number of textile establishments in the United States and silk producers in Japan would be seriously affected. Some mills in New England which had produced organdies and lawns were forced to close.

Because of the fact that these fabrics had had no history of dangerous flammability it seemed clear that these were not the types of fabrics that the Flammable Fabrics Act was aimed at. We therefore requested the Bureau of Standards and interested persons in industry to consider this problem and recommend appropriate modification of the statute and the commercial standard so as to permit continued production and sale of these types of fabrics. As a result of these discussions the Department of Commerce recommended a slight modification in the burning rate time for plain surface fabrics and exclusion of plain surface scarves. As pointed out above, the modification of the burning rate time was adopted by the Congress but no action was taken on the proposed exclusion of scarves.

The definition of wearing apparel contained in section 2 (d) of the Flammable Fabrics Act defines article of wearing apparel as "any costume or article of clothing worn or intended to be worn by individuals except hats, gloves, and footwear." A further definition of hats, gloves, and footwear is also provided. It is our opinion that it would be appropriate to exclude from this definition of articles of wearing apparel scarves made of plain surface fabrics. To the best of our knowledge plain surface scarves have never presented any serious hazard to wearers, and consequently no danger to the public would result from excluding such scarves from the definition of wearing apparel. On the other hand, scarves made of raised surface fabrics which burn with an intense flame should be considered hazardous and should be required to meet the flammability test provided in the act.

This Department therefore recommends the enactment of the attached draft bill which would amend the definition of articles of wearing apparel in section 2 (d) of the Flammable Fabrics Act to exclude plain surface scarves.

COST

Enactment of this legislation should reduce the cost of administering the act by the amount which is presently spent in investigations and testing of these particular articles.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

AMENDMENT OF COMMUNICATIONS
ACT OF 1934

Mr. MAGNUSON. Mr. President, by request of the Federal Communications Commission, I introduce, for appropriate reference, a bill to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended. I ask unanimous consent that a letter from the Commission, explaining the objectives of the bill, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1456) to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter, presented by Mr. MAGNUSON, is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., February 28, 1955.
THE VICE PRESIDENT,
United States Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Federal Communications Commission wishes to recommend for the consideration of the Senate four amendments to the Communications Act of 1934, as amended, relating to its regulatory authority over communications common carriers, enactment of which, it is believed, will substantially relieve the administrative burdens of such regulation on both the Commission and the carriers subject to its jurisdiction without in any way detracting from the essential regulatory authority of the Commission. These amendments are to sections 212, 219 (a), 221 (a), and 410 (a) of the act, respectively. A draft bill incorporating each of the amendments is attached.

Section 212 of the Communications Act presently makes it unlawful for any person

to hold the position of officer or director of more than one carrier subject to the act, unless the dual holding is first authorized by Commission order upon a showing, in a manner to be prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. An objective of Congress in enacting this requirement—the prevention of the exercise of indirect control over ostensibly competing carriers through such interlocking directorates—is, we believe, clearly salutary. But the all-embracing language of the section makes it applicable to dual holdings within an integrated communications system under common ownership and control as well as to interlocking relations between the competitive systems to which the section must have been primarily intended to apply. The result has been that in recent years the Commission has been called upon to consider a substantial number of requests by officers or directors of one company of a commonly owned and controlled system, such as the Bell System of the American Telephone & Telegraph Co., to serve as well in a similar capacity with respect to another company within the system. The Commission has felt that in such situations, where the dual holding cannot have any effect upon the ultimate control or management policy of either of the companies, the determination as to whether a particular individual can best serve the interests of the system by concentrating his efforts in one of the constituent companies or by making his talents available to more than one is a detail of carrier management which can and should be left to the discretion of the carrier itself. It has, accordingly, regularly issued orders approving such requests. It is believed, however, that in the interests of efficiency and avoidance of unnecessary effort by both the Commission and the carrier personnel involved, it would be advisable to amend section 212 to make possible elimination of unnecessary applications and Commission orders in such situations. This would be accomplished by amending section 212 to add the following proviso at the end of the first sentence:

"Provided, That the Commission may authorize persons to hold the position of officer or director in more than one such carrier, without regard to the requirements of this section, where it has found that 1 of the 2 or more carriers directly or indirectly owns more than 50 percent of the stock of the other or others, or that 50 percent or more of the stock of all such carriers is directly or indirectly owned by the same person."

In addition, certain language changes will be required in the second sentence of the section, as revised, in view of the insertion of the new proviso. These are set out in full in the draft bill attached hereto.

The need for an amendment to section 219 (a) of the act arises partly out of an apparent ambiguity of the existing language and partly out of the development and growth of certain new types of limited or specialized common carriers in the communications field concerning the operation of which a somewhat lesser degree of annual information may be necessary in order to insure effective Commission regulation. The first sentence of this section presently authorizes the Commission to require the filing of annual reports by all carriers subject to the act, a provision taken over from the Interstate Commerce Act, as amended. However, the second sentence of the section, which was added at the time the Communications Act of 1934 was adopted, speaks in mandatory terms and provides that such annual reports "shall show in detail" a long list of specific types of information. The absolute nature of these requirements is, apparently, stressed by the language of the third and last sentence of the subsection which authorizes the Commission, by regulation, to require that additional informa-

However, 2 years of active duty, not including time spent in internship or residency training, will satisfy active duty requirements of the Universal Military Training and Service Act, as amended. The proposed legislation provides that a scholarship participant, upon reimbursement to the Government of all funds expended in his behalf, may be released from the scholarship program prior to graduation. Subsequent to graduation and after serving 3 years of active duty, he may be relieved of any additional obligation for active duty agreed to under this program upon reimbursement to the Government of all funds expended in his behalf.

Based on allocated strengths and existing shortages of career medical and dental officers in the military departments, it is tentatively proposed to offer sufficient scholarships through this means to provide a maximum of 300 graduates from schools of medicine and 126 graduates from schools of dentistry at the end of the second year of operation of the plan, and the same number of graduates each year thereafter to provide gradual increments until allocated strengths are reached. It is estimated that under the best of circumstances the program will be operative for 10 years at these numbers.

COST AND BUDGET DATA

To maintain the number of scholarship participants mentioned above and based upon present tuition rates, it is estimated that the maximum cost that would result from the enactment of this proposal would be approximately \$2,542,000 for fiscal year 1956.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

S. 1445. A bill to increase the annuities of certain retired civilian members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School.

(The letter accompanying Senate bill 1445 is as follows:)

DEPARTMENT OF THE NAVY,

Washington, D. C., February 22, 1955.

HON. RICHARD M. NIXON,
President of the Senate,
United States Senate,
Washington, D. C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To increase the annuities of certain retired members of the teaching staffs of the United States Naval Academy and the United States Naval Postgraduate School."

This proposal is part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this proposed legislation is to authorize cost-of-living increases in the annuities of those civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School, now on the retired list, comparable with the cost-of-living increases given persons retired under the civil-service retirement system in 1948 and 1952.

The retirement annuities for the civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School are provided by the act of January 16, 1936 (49 Stat. 1092), as amended (34 U. S. C. 1073 et seq.), which is administered by the Department of the Navy.

Under the act of January 16, 1936, the civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School are required to carry, as part of their contract of employment, an annuity policy having no cash surrender or loan provisions. These contracts are carried with the Teachers Insurance and Annuity Association of America. Each civilian faculty member is required to register with the Navy Allotment Office a monthly allotment equivalent in amount to 10 percent of his monthly salary and for each monthly allotment so registered the Department of the Navy is required to credit the employee's pay account with an additional sum equivalent to 5 percent of his monthly salary. The annuities provided by the act, as it was amended by the act of November 28, 1943 (57 Stat. 594), are at the rate of 1 3/7 percent of the employee's average salary during any 5 consecutive years multiplied by the number of years of service, not exceeding 35 years, and where the annuity purchased from the Teachers Insurance and Annuity Association does not equal that amount, the Department of the Navy is required to pay such additional sum as will bring the annuity to that total.

When the act of January 16, 1936, was originally enacted the only retired annuities it provided for persons thereafter employed as civilian members of the teaching staffs of the Naval Academy and the Naval Postgraduate School were those purchased from the Teachers Insurance and Annuity Association. For the civilians who were members of the teaching staffs of those schools on January 16, 1936, however, provision was made that where, upon reaching retirement age, the purchased annuity was not sufficient to provide an annuity of \$1,200 a year, the difference would be made up by the Department of the Navy. Because of the inadequacy of the purchased annuities, the act of January 16, 1936, was amended by the act of November 28, 1943 (57 Stat. 594), to adopt the minimum annuity retirement provisions then governing civil-service retirement annuities, that is, an annuity equal to the average annual basic salary received by the employee during any 5 consecutive years of allowable service, at the option of the employee, multiplied by the number of years of service, not exceeding 35 years, and divided by 70. At that time provision was also made that the Department of the Navy should pay to the retired civilian faculty members such amounts as when added to the purchased annuities would make up a total annuity determined by this minimum formula. These amendments, however, were applicable only to persons retired after November 28, 1943, and did not affect the annuities of the civilian faculty members retired before that date. This latter group continued to receive annuities of \$1,200 a year.

Although cost-of-living increases were given in 1948 and in 1952 to persons then in a retired status under the civil-service retirement system, no similar increases were given to the civilian faculty members of the Naval Academy and Naval Postgraduate School then in a retired status. The act of February 28, 1948 (62 Stat. 52) gave to persons in a retired status under the civil-service retirement system on the effective date of that act, April 1, 1948, an increase in their annuities not to exceed \$300 a year. The act of July 16, 1952 (66 Stat. 722) provided a further increase not to exceed \$324 a year for persons then in a retired status under the civil-service retirement system, with the limitation that no annuity should be increased beyond \$2,160.

The subject proposed legislation would provide cost-of-living increases in the annuities of retired members of the civilian faculties of the Naval Academy and the

Naval Postgraduate School comparable with those granted under the act of February 28, 1948, and the act of July 16, 1952, to retirees under the civil-service retirement system. It would provide an increase of \$300 a year to those civilian faculty members retired before April 1, 1948. There are now 10 members who were so retired. It would also give, in addition to that increase, an increase of \$300 a year to all civilian faculty members now on the retired list, with the limitation that this further increase shall not operate to increase any annuity to an amount in excess of \$2,160. With that limitation six members would receive this latter increase.

COST AND BUDGET DATA

Enactment of this proposed legislation would result in an annual additional cost of \$4,800, which represents a \$600-a-year increase in 6 annuities and a \$300-a-year increase in 4 annuities.

Sincerely yours,

C. S. THOMAS.

INCLUSION OF GOLD STAR IN AMERICAN FLAG TO HONOR MEMBERS OF ARMED FORCES WHO DIED IN SERVICE

Mr. LEHMAN. Mr. President, I introduce, for appropriate reference, a bill providing for the inclusion in the American flag of a special gold star honoring the members of our Armed Forces who have died in the service of their country.

This bill is being introduced upon the suggestion and at the request of the Western New York Council and Auxiliaries of the American War Dads.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1446) to provide that a special gold star shall be added to the flag of the United States, in honor of the members of the Armed Forces who have died in the service of their country, introduced by Mr. LEHMAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF FLAMMABLE FABRICS ACT, RELATING TO EXCLUSION OF CERTAIN SCARVES

Mr. MAGNUSON. Mr. President, by request of the Secretary of Commerce, I introduce, for appropriate reference, a bill to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard. I ask that there be printed in the Record a letter from the Secretary of Commerce, explaining the purpose of the bill.

The PRESIDENT pro tempore. The bill will be received, and appropriately referred; and, without objection, the letter will be printed in the Record.

The bill (S. 1455) to amend the Flammable Fabrics Act to exempt from its application scarves which do not present an unusual hazard, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

tion be contained in such annual reports. And while the legislative history relating to the section is by no means extensive, what there is tends to reinforce the interpretation of the section which would make mandatory the inclusion in any annual report required to be filed by the Commission of all of the detailed information specified in the second sentence of the section.

Experience in recent years, especially with respect to certain types of specialized common carriers which have been established in the mobile and maritime services, has indicated that some of the information required by the second sentence of the section is unnecessary and serves little or no regulatory function. Accordingly, this section should be amended to make clear that the Commission has authority to tailor the annual reports required from particular types of carriers to the peculiar needs of the Commission with respect to each service and type of carrier. This would be accomplished by amending the second sentence of the section by inserting the words "Except as otherwise required by the Commission" at the beginning of the sentence so that it will read: "Except as otherwise required by the Commission, such annual reports shall show in detail."

It is presently provided in section 221 (a) of the act that the Commission must hold public hearings upon all applications for authority to consolidate telephone properties or for authority for one telephone company to acquire the property of another or the control of another. It is believed that this mandatory hearing requirement should be eased, as many of the applications being received are of such minor significance that hearings are not justified. This is particularly true since in a large number of these cases all conceivable parties in interest are actively in favor of the merger. The Congress on August 2, 1949, made an amendment, similar to what the Commission is recommending, to section 5 (2) (b) of the Interstate Commerce Act by adding to a clause making public hearings mandatory in cases involving consolidations, mergers, and acquisitions of control of railroads a proviso that such hearings need not be held where the Commission "determines that a public hearing is not necessary in the public interest." In its 86th annual report for the fiscal year ended October 31, 1952, the Interstate Commerce Commission, commenting upon the results of the amendment of August 2, 1949, stated that during the year under report it "found that public hearings were not necessary in 32 out of 35 proceedings under section 5 (2)." It is believed that similar savings in time-consuming procedures would be realized in the Federal Communications Commission if section 221 (a) were similarly amended, as set forth in detail in the appendix. This amendment would permit the Commission to dispense with the hearing in any case where, after notifying all parties in interest and considering their views, the Commission determines that such a hearing is not necessary in the public interest. The new language proposed is patterned after language now in sections 220 (1) and 309 (a) of the act and the amendment of August 2, 1949, to section 5 (2) (b) of the Interstate Commerce Act.

In the Communications Act Amendments, 1952, Congress rewrote section 409 (a) of the act so as to provide that adjudicatory hearings should be conducted only by the Commission or by one or more examiners. This had the effect of forbidding the hearing of adjudicatory matters by a single member of the Commission. With section 409 (a) so rewritten it was necessary to make certain amendments to section 410 (a) to bring it into conformity with the new language of section 409 (a). In amending section 410 (a) Congress provided that certain questions

might continue to be referred to a joint board composed of a member, or members selected from each of the States affected. In stating the jurisdiction and powers conferred upon such a joint board it was stated in the amendment adopted that such board should have all the jurisdiction and powers conferred by law upon the Commission, whereas the language replaced gave these joint boards only the same powers as possessed by a single member of the Commission when designated by the Commission to hold a hearing. It would seem that the new delegation of jurisdiction and powers is undesirably broad.

In any event, with the wording of section 410 (a) inserted by the Communications Act Amendments, 1952, it does not seem likely that the Commission would ever find it desirable to refer any matter to a joint board. It is believed that if the second sentence of section 410 (a) were changed to give joint boards the same jurisdiction that is now conferred on an examiner, it would be more nearly what Congress must have intended and would make the section more usable to the Commission in the administration of the act.

The consideration of these amendments by the Senate will be greatly appreciated. The Commission will be most happy to furnish any additional information that may be desired by the Senate or by any committee to which this material is referred. The Bureau of the Budget has advised the Commission that it has no objection to the submission of this letter.

GEORGE C. MCCONNAUGHEY,
Chairman
(By direction of the Commission).

DISAPPROVAL OF SALE OF CERTAIN RUBBER-PRODUCING FACILITIES IN CALIFORNIA

Mr. THYE. Mr. President, I submit, for appropriate reference, a resolution disapproving the sale of certain rubber-producing facilities in California. I ask unanimous consent that a statement, prepared by me, relating to the resolution, be printed in the RECORD.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The resolution (S. Res. 78), submitted by Mr. THYE, was referred to the Committee on Banking and Currency, as follows:

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR-S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The statement, presented by Mr. THYE, is as follows:

STATEMENT BY SENATOR THYE

I am today submitting a resolution, under the provisions of Public Law 205, 83d Congress, relating to the report of the Rubber Producing Facilities Disposal Commission.

The resolution states that the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR-S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

It is my understanding that the law requires a separate bid for each facility to be sold.

The three plants referred to in my resolution were bid under a lump sum proposal which did not conform to the law.

This failure to comply with the full intent of the law with respect to the sale of these three plants restricted the opportunity for taking full advantage of provisions for negotiation on the sale price of individual plants.

It also tended to discriminate against bidders who were interested only in individual plants and whose proposals could not be properly explored because of the lump-sum proposal for the three plants with no breakdown as to the price bid for each plant as required in the law.

Under the terms of Public Law 205, either House of Congress has authority to indicate its disapproval of procedures undertaken by the Rubber Producing Facilities Disposal Commission in the sale of the Government-owned rubber plants to private industry.

The adoption of the resolution, after consideration by a Subcommittee of the Senate Committee on Banking and Currency, which has already conducted extensive hearings on this subject, will permit consideration of new legislation relating to the disposal of the three plants identified in the resolution. It will not affect the pending sale of 21 other plants recommended for sale by the Commission and the bids for which were in full compliance with the law.

Mr. HUMPHREY. Mr. President, I submit a resolution, disapproving the sale of certain rubber-producing facilities in California, and ask for its appropriate reference.

I also send to the desk a letter which pertains to the body of this resolution. It is a copy of a letter addressed to the Senator from Arkansas [Mr. FULBRIGHT] chairman of the Senate Committee on Banking and Currency, by the Minnesota Mining & Manufacturing Co., signed by the President, Mr. H. P. Buetow. The letter protests the sale of one of our synthetic-rubber plants to the Shell Chemical Corp. The resolution which I have submitted would ask that that particular transaction be set aside to allow for competitive bidding on those facilities.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The resolution (S. Res. 79), submitted by Mr. HUMPHREY, was referred to the Committee on Banking and Currency, as follows:

Whereas the Rubber Producing Facilities Disposal Act of 1953, Public Law 205, 83d Congress, provided for the disposal of the Government-owned rubber-producing facilities, pursuant to the provisions of said act; and

Whereas in the recommended sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR-S) facility at Los Angeles, Calif., Plancor 611, the Rubber Producing Facilities Disposal Commission has not conformed to the provisions and procedures established by the said act; and

Whereas the said purported sale by the Rubber Producing Facilities Disposal Commission was in violation of the provisions and procedures established and required by Public Law 205, 83d Congress; and

Whereas section 23 (a) of the Rubber Producing Facilities Disposal Act of 1953 provides for the introduction of this form or resolution: Now, therefore, be it

Resolved, That the Senate does not favor the sale of the butadiene manufacturing facility at Torrance, Calif., Plancor 963; the styrene manufacturing facility at Los Angeles, Calif., Plancor 929; and the synthetic rubber (GR-S) facility at Los Angeles, Calif., Plancor 611, as recommended in the report of the Rubber Producing Facilities Disposal Commission.

The letter presented by Mr. HUMPHREY is as follows:

MINNESOTA MINING &
MANUFACTURING CO.,
February 22, 1955.

Hon. J. W. FULBRIGHT,
Chairman, Senate Committee on
Banking and Currency,
Senate Office Building,
Washington, D. C.

DEAR SENATOR FULBRIGHT: We are writing this letter to you as one of several unsuccessful bidders for the purchase of Government-owned rubber producing facilities on the west coast.

Our company, together with our wholly owned subsidiary Midland Rubber Corp., submitted a proposal to purchase Plancor 611, a copolymer plant located at Torrance, Calif.

In our opinion, the proposal to purchase Plancors 611, 929, and 963 submitted by the Shell Chemical Corp., and recommended for acceptance by the Rubber Producing Facilities Disposal Commission did not comply with Public Law 205, 83d Congress (known as the Rubber Producing Facilities Disposal Act of 1953) in that the proposal by Shell did not state the amount proposed to be paid for each of the facilities, and was therefore, improperly considered by the Commission.

If our interpretation of the act is correct, the recommended sale of these plants to the Shell Chemical Corp. should be disapproved.

Public Law 205, 83d Congress, authorizes the disposal of the Government-owned rubber producing facilities. Section 7 (b) of this act provides as follows:¹

"(b) Proposals shall be in writing, and shall contain, among other things, . . .

"(4) The amount proposed to be paid for each of the facilities, and, if such amount is not to be paid in cash, then the principal terms of the financing arrangement proposed."

Pursuant to the above statute, the Rubber Producing Facilities Commission (hereinafter referred to as the "Commission") issued certain instructions and information, entitled "Release No. 1."² Paragraph 4 of these instructions provides as follows:

"4. Proposals shall state the amount proposed to be paid for each of the facilities. Where a proposal contemplates acquisition of several facilities for integrated operation, it shall state separately the aggregate amount proposed to be paid for such facilities on such an integrated basis, and the amount otherwise proposed to be paid for each of the facilities in question on an individual basis. . . ."

Pursuant to an official advertisement published on November 18, 1953, by the Commission, entitled "Invitation for Proposals,"³ the Shell Chemical Corp. submitted a proposal for the purchase of 3 of these plants,

Shell stated in paragraph 10, entitled "Purchase Price":

"The aggregate amount we propose to pay for Plancors 611, 929, and 963, together, is \$27 million.

"We do not state the amounts we propose to pay for any of the facilities on an individual basis as we do not propose to purchase individual facilities."

The Commission itself, in its report to Congress, recognized that Shell had refused to submit a bid on each facility as required by Public Law 205, and stated as follows in discussing the sale of the styrene plant:⁴

"At the same time there were 3 proposals for the west coast copolymer plant, including the package bid of Shell Chemical Corp., amounting to \$30 million, the styrene plant, the butadiene plant at Torrance, Calif., and the copolymer plant. Shell stated at the outset that its interest was only in the acquisition of all three plants for integrated operation. It wanted no single plant and no combination of two. It represented that its proposal was calculated solely on this basis and consequently declined to assign figures to each of the three facilities. Shell's packaged price represented the highest aggregate amount offered to the Commission for the three plants."

In our opinion, the Shell Chemical Corp. proposal was not in compliance with section 7 (b) (4) of Public Law 205, 83d Congress, or paragraph 4 of release No. 1 by the Rubber Producing Facilities Disposal Commission, in that the Shell proposal did not state the amount proposed to be paid for each of the facilities on an individual basis but only the amount proposed to be paid for three facilities on an integrated basis.

Because the Shell proposal did not conform to the standards prescribed by Congress, it was invalid and improperly considered by the Commission. It is immaterial whether or not the Shell proposal constituted the highest bid for these three plants because the proposal itself was invalid. Its acceptance by the Commission gave Shell an undue advantage not permitted by the law.

Accordingly the Senate or the House should pass a resolution in accordance with section 23 (b) of Public Law 205 declaring that the Senate or the House does not favor the sale of Plancors 611, 929, and 963, as recommended in the report of the Commission.

Legislation should be passed which would enable the Rubber Producing Facilities Disposal Commission to receive proposals and negotiate new contracts for sale of Plancors 611, 929, and 963, under the same terms and condition prescribed in Public Law 205.

Respectfully,

H. P. BUETOW, *President*.

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

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

By Mr. MONRONEY:

Address delivered by Robert B. Anderson, Deputy Secretary of Defense, at Oklahoma City, Okla., on March 9, 1955.

By Mr. JOHNSTON of South Carolina:

Article entitled "AF Aide Says the Big Majority of Security Risks Were Hired by Ike," written by John Cramer, and published in the Washington Daily News of March 11, the Washington Daily News of March 11, 1955; which will appear hereafter in the Appendix.

By Mr. SALTONSTALL:

Article and editorial in tribute to the Portuguese residents of Cape Cod, published in the Provincetown Advocate, of Provincetown, Mass., on March 10, 1955.

Article entitled "The Defense Program and New England: Research for Defense," pub-

lished in the February Monthly Review of the Federal Reserve Bank of Boston.

By Mr. DIRKSEN:

Copy of official Navy Department press release citing the Elgin Watch Co., of Elgin, Ill., for voluntarily making a refund of savings effected through economical operation.

By Mr. WILEY:

Editorial from Wall Street Journal concerning the impact of the St. Lawrence seaway on State and municipal projects.

By Mr. BUTLER:

Editorial entitled "Maritime Training and Federal Funds," published in the Merchant Marine Bulletin.

Article on troop ships of the north African invasion, published in the January-February issue of the Merchant Marine Bulletin.

By Mr. NEUBERGER:

Editorial tribute to Alison Wysong, published in the Eugene Register-Guard of March 9, 1955.

Article entitled "Little Federal Aid for Oregon Schools Seen," published in the Eugene Register-Guard of March 8, 1955.

By Mr. MURRAY:

Article entitled "A New Experiment in State Medicine," written by Waldemar Kaempffert and published in the New York Times Sunday magazine of March 13, 1955.

By Mr. MAGNUSON:

Article entitled "Another Freeze?" published in Broadcasting-Telecasting of March 14, 1955.

By Mr. SMATHERS:

Article entitled "The Plight of Guatemala," written by Daniel James and published in the New York Herald Tribune of March 10, 1955.

NOTICE OF HEARINGS ON SUNDRY NOMINATIONS BY FOREIGN RELATIONS COMMITTEE

The PRESIDENT pro tempore. As a Senator and chairman of the Committee on Foreign Relations, the Chair desires to say that the Senate received today a list of 66 persons for appointment as Foreign Service officers of various classes. The list is printed elsewhere in the proceedings of today. Notice is hereby given that these nominations will be considered by the Committee on Foreign Relations, at the expiration of 6 days.

EXCERPTS FROM ADDRESS BY THE VICE PRESIDENT BEFORE THE WORLD AFFAIRS COUNCIL

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD excerpts from the address delivered by the Vice President of the United States before the World Affairs Council, in Los Angeles, Calif., on March 14. The address dealt with the Vice President's trip through Latin America.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE ADDRESS OF THE VICE PRESIDENT OF THE UNITED STATES BEFORE THE WORLD AFFAIRS COUNCIL, LOS ANGELES, CALIF., MARCH 14, 1955

IMPORTANCE OF THE AREA

We usually hear of Latin America only when there is an earthquake, flood, hurricane, or revolution in that area. We get prompt and efficient coverage of such legitimate news items, as we should. But another story, much bigger, more exciting, and more important is not being adequately told in the United States. This is the story of an old and honored civilization awakening, of

¹ See p. 8 (a) of the report to Congress by the Rubber Producing Facilities Disposal Commission.

² See p. 5 (a) of the report to Congress.

³ See exhibit A of the appendix to report to Congress.

⁴ See pp. 156-157 of the supplement to the report to Congress.

⁵ See p. 28 of the report to Congress.